

## **RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES**

**INTERROGATORY 63:**

**Reference(s): Exhibit 4A, Tab 1, Schedule 1, page 2 and 4, Table 1**

In the first reference, THESL states that:

While Toronto Hydro submits that the manner of presentation of its 2015 OM&A activities is consistent with the OEB guidance, the utility notes that its work in developing a meaningful program/Segment OM&A presentation involved a significant amount of assumptions and complex analytic work, given that Toronto Hydro internal OM&A tracking procedures do not fully lend themselves to the approach contemplated by the OEB.

At Toronto Hydro, OM&A plans are generally presented on an operating department or “Responsibility Centre” (RC) basis, whereby each RC is tied to the operational management of broad, but discrete functional areas such as customer care, finance, regulatory, safety, IT, HR or legal. That is, on the basis of the areas of discrete responsibility and type of departmental expenditures, rather than the (often cross-functional) activities or programs that the utility at large undertakes.

In Table 1 of the second reference, THESL lists Historical, Bridge and Test Year OM&A expenditures by program. Board staff observes that:

(1) a number of the categories in this table are the same or similar to those presented in THESL’s EB-2011-0144 application (e.g. Fleet and Equipment Services, Control Centre);

(2) In addition to being the same or similar a number of the categories do not appear to represent a program/outcome type of approach (e.g Legal Services, Rates and Regulatory Affairs);

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1 (3) Costs such as Legal Services and those of other departments might seem to be the  
2 types of costs which under a program/outcomes based approach would be  
3 allocated to the various projects rather than continuing to appear separately. Such  
4 an allocation would be reflective of the Board's focus on outcomes rather than  
5 inputs discussed in the "Operating Expenses" section of the Filing Requirements.  
6

- 7 a) Please comment on Board staff's observations;  
8 b) Please elaborate on the nature of the "significant amount of assumptions and complex  
9 analytic work" referenced above. Please state what the key assumptions were;  
10 c) Please state whether or not THESL will be further evolving its approach to OM&A in  
11 the future to fully align it with the approach contemplated by the Board. If yes,  
12 please state what approximate percentage of this process was completed for the  
13 current filing and when full completion would be anticipated. If not, please explain,  
14 why not.  
15

### **RESPONSE:**

- 17 a) While a number of its programs comprising the 2015 Test Year budget are the same  
18 or similar to those presented in previous applications, Toronto Hydro does not agree  
19 that these programs do not represent activity areas driven by distinct higher-level  
20 outcomes, relevant to the utility and/or its customers. In Toronto Hydro's view,  
21 individual OEB proceedings are not "outcomes" for customers. For example, the  
22 relevant outcome for the Regulatory OM&A Program is that the utility effectively  
23 and efficiently addresses numerous OEB regulatory requirements including the ability  
24 to meet reporting obligations, participate in consultations and respond to information  
25 requests from the OEB. Please also see Toronto Hydro's response to interrogatory  
26 4A-CCC-30 for additional discussion of the Program/Segment taxonomy.

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1       Moreover, Toronto Hydro submits that allocating the costs of such activities as  
2       Regulatory Affairs or Legal Services to specific programs and projects as suggested  
3       would be impractical, since there is a base-level of activity related to meeting the  
4       OEB's ongoing requirements and participating in regulatory activities that is  
5       independent of specific proceedings. Furthermore, it is not always clear which  
6       specific proceeding or project (and to what degree) is a driver and/or a beneficiary of  
7       such utility-wide activities as regulatory research and training. Finally, Toronto  
8       Hydro believes that direct assignment of legal, regulatory or finance costs to a  
9       specific program area could have a detrimental effect on the transparency of spending  
10      in these areas.

11  
12     b) The assumptions and analytic work referenced in the Interrogatory refer to the steps  
13     Toronto Hydro took to delineate certain expenditures tracked internally in  
14     departmental budgets to specific programs and segments (in particular with regard to  
15     the four Operation Support Programs), as well as calculations required to allocate  
16     certain historical departmental-level expenditures to the programs that drove such  
17     expenditures (for example, historical IT expenditures that were previously tracked as  
18     a part of the Control Centre or Customer Care budgets). Key assumptions varied  
19     case-by-case, but generally involved determining which portion of a particular  
20     department or staff member's time was spent on activities comprising their respective  
21     mandates, or which portions of specific project expenditures could be allocated to one  
22     program or another. For greater clarity, Toronto Hydro submits that the assumptions  
23     made to comply with the OEB-mandated program/segment breakdown had no effect  
24     on the utility's aggregate OM&A spend, as presented in the application.

25

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- 1 c) As discussed above, Toronto Hydro believes that its approach to program/segment  
2 presentation complies with the OEB's guidance on this issue provided to date.  
3 Accordingly, at this point the utility does not anticipate further activities to develop  
4 this approach. That said, Toronto Hydro continues to observe that its management  
5 remains responsible for the activities of the utility and must retain the ability to  
6 organize and evolve financial and operational reporting in a manner that allows it to  
7 best meet this responsibility.

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**INTERROGATORY 64:**

**Reference(s):**        **Exhibit 4A, Tab 1, Schedule 1, p.5 and p.10**

In the first reference, THESL states that:

In particular, the utility approached its 2015 proposed OM&A expenditures from the perspective of savings it has achieved over the 3GIRM period together with resource requirements for 2015 and forward. Further, Toronto Hydro viewed 2016-2019 as years where its funding request would be consistent with the IRM framework – i.e., less than inflation and determined on the basis of a Price Cap Index-based formulaic adjustment.

In the second reference, THESL states that: “Absent a sufficient level of funding in the test/rebasing year, an IRM plan for the successive four years would not be sustainable”:

- a) Please further discuss what THESL means by the second reference and how it would define a sufficient level of funding;
- b) Please confirm that THESL’s 2015 Test year OM&A expenditures are intended to be representative of its OM&A expenditures anticipated in the 2015 to 2019 period, or if not please explain;
- c) If THESL’s 2015 OM&A expenditures are intended to be representative of its OM&A expenditures in the 2015 to 2019 period:
  - i) Please state whether or not THESL has a 2015 specific OM&A forecast and if so what it is;
  - ii) Please state which other numbers in the application are based on the 2015 to 2019 period rather than 2015 alone.

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**RESPONSE:**

a) Toronto Hydro has determined the OM&A level for 2015 based on operational assessments with considerations for its service obligations and compliance requirements. The utility believes the level of OM&A funding requested in the rate application is sufficient to meet its obligations and requirements.

In the second reference, Toronto Hydro means that since the OM&A funding levels for the years 2016-2019 are a function of the rebasing year (2015), any changes to the base year OM&A budget would consequently impact the utility's ability to meet its plans, obligations and requirements over the remaining plan period.

b) Toronto Hydro's 2015 Test year OM&A expenditures are the amounts required to fund necessary OM&A activities to be executed during the test year. Beyond 2015, and consistent with the principles of incentive regulation, Toronto Hydro expects to manage operations within the OM&A levels determined on the basis of a Price Cap Index-based formulaic adjustment to the 2015 base rates.

c)

i) See the response to part b above. The presented OM&A amounts for the 2015 Test year represent the forecast for that year.

ii) Forecasted 2015 Test Year financial amounts presented in the application reflect the utility's plans for 2015 alone. Forecasted capital spending was developed and is presented on an annual basis for each year 2015-2019. Please also see response to interrogatory 4A-OEB-68, as well as interrogatory 4A-CCC-29.

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**INTERROGATORY 65:**

**Reference(s):           Exhibit 4A, Tab 1, Schedule 1, page 6**

THESL states that:

For example, Toronto Hydro believes that staffing levels beyond the operating costs proposed in this application are optimal based on the utility's assessment of its operating requirements, its retirement projections for the next five to 15 years, and the significant lead time for training certified and skilled trades (four to six years). However, the utility has moderated its funding request in light of other considerations, such as rate impacts.

Informed by the considerations described above, Toronto Hydro developed the OM&A plan on the basis of both a top-down and bottom-up approach as described in Exhibit 1C, Tab 3, Schedule 2. In general, Toronto Hydro's objective was to put forward a plan that largely maintained functional requirements such as safe and reliable grid operations and system performance, service levels and legal, regulatory and statutory compliance in an efficient manner.

- a) Please state by how much THESL has moderated its funding request in light of other considerations, such as rate impacts;
- b) Please state how THESL determined that the level of funding requested in the application is optimal and what impacts on customers it would anticipate that the moderated funding request would have and when these impacts would be felt. Please include an explanation as to what THESL means by its reference to its plan "largely"

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1 maintaining functional requirements and if this statement means that some functional  
2 requirements would not be maintained, please state what such requirements would be.

3

4

5 **RESPONSE:**

6 a) In light of considerations such as rate impacts, Toronto Hydro has moderated its  
7 funding request for 2015 OM&A by between \$5 million and \$10 million in the test  
8 year, and its capital requests by over \$300 million 2015 through 2019. Please see  
9 Exhibit 4A, Tab 1, Schedule 1, page 9 and Exhibit 2B, Section 00 (DSP Executive  
10 Summary), pp. 12-18 for further details.

11

12 b) Toronto Hydro does not believe that the levels of funding requested in this  
13 application are optimal from the perspective of utility operations; however, the utility  
14 assesses that given the information known today regarding the next five years, all  
15 other things being equal, the levels requested are just sufficient to serve its customers  
16 effectively and efficiently, and ensure a safe and reliable source of electricity for the  
17 City of Toronto (including maintaining functional requirements). In order to achieve  
18 this plan, Toronto Hydro will be required to – and is committed to – find additional  
19 productivity savings and seek continuous improvement in its operations, which is  
20 encouraged by its proposed custom Price Cap Index.

21

22 The impact that these funding requests may have on customers is two-fold. First,  
23 Toronto Hydro's plan leads to lower rate impacts during the next five years than an  
24 un-moderated or unconstrained proposal at the expenditure levels referenced in (a)  
25 above. Second, Toronto Hydro's proposed plan means that capital refurbishment and  
26 replacement of retiring employees will move at a slower pace than if the utility



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- 1       invested more during the next five years. Toronto Hydro believes that its proposed
- 2       plan balances operational needs with other considerations, such as rate impacts.

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**INTERROGATORY 66:**

**Reference(s):**        **Exhibit 4A, Tab 1, Schedule 1, page 8**

THESL states that it is putting forward in this application a 2015 rebasing plan containing a number of new or materially-expanded OM&A activities that it expects will be sustained over the period of the plan that are largely driven by functional requirements, examples of which include: (1) Disaster Preparedness Program, (2) Increased Billing, Remittance and Meter Data Management expenditures, and (3) Increased Preventative and Predictive Maintenance expenditures.

Please state the extent to which THESL's customer engagement efforts influenced the above referenced new or materially expanded OM&A activities and, if the customer engagement efforts were a significant impacting factor, how the input received was used to determine the expenditures. If the customer engagement activities were not a significant impacting factor, please explain why not.

**RESPONSE:**

As discussed in Exhibit 4A, Tab 2, Schedule 4, the key elements of the Disaster Preparedness Program align with the recommendations of the Independent Review Panel Report, "The Response of Toronto Hydro-Electric System Limited to the December 2013 Ice Storm". Among other sources, the Panel's recommendations were based on the results of extensive consultation activities with Toronto Hydro's customers and key stakeholders conducted by Davies Consulting.

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1 Toronto Hydro's customer engagement efforts as summarized in Exhibit 1B, Tab 2,  
2 Schedule 7 were not a significant factor driving the proposed Billing, Remittance and  
3 Meter Data Management expenditure proposals, as these programs relate to non-  
4 discretionary drivers, such as meter-reading infrastructure maintenance and upgrades, and  
5 the significant increase of Canada Post rates.

6

7 Almost half of the proposed increase for Preventative and Predictive Maintenance is for  
8 vegetation management in order to improve reliability and harden Toronto Hydro's  
9 system against major storm events, with other incremental increases driven by planned  
10 ramp-up of maintenance cycles to facilitate optimal intervention times. Toronto Hydro  
11 believes that these drivers align with the findings of the above-noted Independent Review  
12 Panel Report, as well as identified customer preferences summarized in the Innovative  
13 Research Group Report (Exhibit 1B, Tab 2, Schedule 7, Appendix B).

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**INTERROGATORY 67:**

**Reference(s):**        **Exhibit 4A, Tab 1, Schedule 1, page 9**

THESL states that an example of an area where it did not put forward the full possible sustained and reasonable OM&A request is its proposed staffing plan and that it constrained its compensation costs by approximately \$3 million by employing contingent resources rather than full-time employees to deliver a variety of administrative and support functions.

- a) Please state whether the referenced \$3 million savings is per annum, or over the 2015-2019 period;
- b) Please state whether THESL believes the approach it has undertaken will result in short-term cost savings at the expense of longer-term cost increases and if so when costs would start to be higher and, if not, why not.

**RESPONSE:**

- a) The referenced savings are per annum.
- b) This approach is expected to limit longer-term cost increases to customers while providing the utility with a flexible workforce to meet its capital work program commitments.

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**INTERROGATORY 68:**

**Reference(s): Exhibit 4A, Tab 1, Schedule 1, pages 9-10**

On page 9 of the above reference, it is stated that:

In building its five-year OM&A plan, while Toronto Hydro endeavoured to consider foundational expenditure requirements, including potential emerging requirements (e.g., extreme weather preparedness) that can be reasonably anticipated, it did not engage in a detailed five-year financial planning exercise.

On page 10 of the above reference, it is stated that:

As discussed above, Toronto Hydro engaged in a detailed financial planning exercise, based on functional requirements, informed by the four pillars, and designed to provide the utility sufficient funding levels for the next five years.

- a) Please clarify whether THESL did or did not engage in a detailed financial planning exercise in preparing the current application;
- b) Please provide THESL's definition of a detailed financial planning exercise;
- c) If THESL did not engage in a detailed financial planning exercise in preparing the current application, please explain what it did do and why in its view this would be considered adequate for the approvals requested.

**RESPONSE:**

- a) As explained in the reference for this interrogatory, Toronto Hydro engaged in a detailed financial planning exercise in determining the current OM&A needs that

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1 would be sustained over the CIR period. It did not engage in detailed financial  
2 planning for 2016-2019 OM&A.

3

4 b) Toronto Hydro identifies a detailed planning exercise as an iterative process of  
5 working with the departmental management and the Executive Team to propose and  
6 assess funding needs at the departmental level, as well as consider the overall amount  
7 in light of a variety of considerations such as rate impacts.

8

9 c) Please see responses above, response to interrogatory 4A-OEB-65, as well as  
10 response to interrogatory 4A-CCC-29.

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**INTERROGATORY 69:**

**Reference(s):           Exhibit 4A, Tab 1, Schedule 1, p.10 and  
Exhibit 1B, Tab 1, Schedule 3, p.17**

The first reference states that:

..a corollary of Toronto Hydro's OM&A proposal - and a consideration in how it engaged in financial planning - is its proposal regarding the Z-Factor (Exhibit 1B, Tab 2, Schedule 3). While Toronto Hydro has endeavoured to consider foundational expenditure requirements, including potential emerging requirements as can be known today, for any regulated utility that operates in a dynamic environment such as Toronto Hydro, there will inevitably be material events over a five year time horizon that are outside the known, anticipated and quantifiable scope of requirements... By proposing the Z-Factor approach to be used if and when determined to be appropriate, Toronto Hydro attempts to balance the considerations of customer impacts with the necessity of maintaining safe and efficient system operation under a variety of potential conditions.

The second reference states that:

One of the incremental challenges inherent in a five-year rates plan is the need to contend with prudent, material unexpected costs. As part of this application, and as explained in further detail throughout this application, Toronto Hydro has proposed restrained/constrained OM&A and capital funding requests. The funding that Toronto Hydro seeks in this application is expected to enable the utility to carry out the work that it has detailed in these programs. That funding, by definition, is not sufficient to address the prudent costs of material events that

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1 are outside the control of the utility and which have not been forecasted.

2 Accordingly, Toronto Hydro proposes to incorporate within its rate framework  
3 the availability of Z-factor relief, which Toronto Hydro understands is available to  
4 CIR filers as part of the RRFE framework.

5  
6 In the above references THESL appears to be establishing a linkage between its stated  
7 approach in this application of constraining OM&A and capital funding requests and the  
8 availability of Z-factor relief.

9 a) Please state whether or not THESL would view its Z-factor proposals as expanding  
10 the range of events for which a Z-factor would be applicable and why or why not this  
11 would be the case;

12 b) Please state whether or not THESL would anticipate that any of the constrained  
13 OM&A and capital funding programs that it is not seeking relief for in the present  
14 application might ultimately need to be recovered through a Z-factor application and,  
15 if so, please state which programs and under what circumstances;

16 c) Given the constrained OM&A and capital funding programs in the current  
17 application, please state whether or not THESL would anticipate that catch-up would  
18 be a significant factor in the 2020-2024 period if the present application is approved  
19 as filed.

20  
21  
22 **RESPONSE:**

23 a) Toronto Hydro believes that its Z-factor approach is consistent with the current Z-  
24 factor criteria, and as indicated in the referenced evidence, Toronto Hydro proposes  
25 that the “standard Z-factor criteria” be applicable. However it acknowledges that  
26 applications have not been brought for all of the specific example events it lists in



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1 Exhibit 1B, Tab 2, Schedule 3 (pages 17-18). In addition, the OEB may find that for  
2 any given category of material, unexpected expense, an approach other than the  
3 standard Z-factor may be appropriate, particularly for events that materially affect all  
4 or a majority of distributors.

5  
6 b) In Exhibit 1B, Tab 2, Schedule 3 (pages 17-18), Toronto Hydro has listed the specific  
7 events which it believes could qualify for Z-factor treatment, or substantially  
8 equivalent treatment. The utility does not presently anticipate seeking Z-factor relief  
9 for the OM&A and capital programs that Toronto Hydro is not seeking funding for as  
10 part of this application.

11  
12 Whether the utility will ultimately need to seek Z-factor relief for some of that work  
13 during the plan term depends on the extent to which such work becomes non-  
14 discretionary, and whether the utility's circumstances satisfy the Z-factor criteria in  
15 relation to that work. Toronto Hydro has no specific plans to seek Z-factor relief at  
16 this time.

17  
18 c) Toronto Hydro's plan is to manage its business within the funding levels sought in  
19 this application over the 2015-2019 period. Whether or not catch-up during the next  
20 five years after that is required will be the product of many factors that are  
21 unknowable today.

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**INTERROGATORY 70:**

**Reference(s): Exhibit 4A, Tab 3, Schedule 1, pp. 6-7, Table 3**

The referenced table lists THESL's non-affiliate purchased products or services over \$1 million procured without a competitive process.

One such purchase is from DDP Technologies which provided THESL with "Inspection services for Pad Tx, Sub Tx, network vaults and building vaults along with "Find it – Fix it" repairs for each program." THESL states that the reason for the sole sourcing was "The need to commence the program on an urgent basis prevented the use of a competitive bid process. Informal quotes were obtained from five suppliers and the program was granted to the lowest qualified provider."

A second purchase was from Panasonic Canada for "Three years supply of Panasonic tough books and tough pads consistent with existing technology used by field staff." The justification provided is that "Negotiations with Panasonic coupled with market benchmarking indicated it was cheaper to deal direct with manufacturer instead of issuing RFP to resellers."

a) With respect to the DDP Technologies contract, please explain how THESL determines that a program is sufficiently urgent to depart from a competitive bidding process and whether THESL would anticipate similar departures for other programs and why or why not this would be the case;

b) With respect to the Panasonic Canada contract, please state why THESL used negotiations with Panasonic coupled with market benchmarking instead of going

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1 directly to an RFP and whether this is an approach that might be used to award other  
2 contracts. If this is the case, please explain what the criteria would be for adopting  
3 this approach. If this is not the case, please explain why this approach was used in  
4 awarding the Panasonic contract.

5

6

7 **RESPONSE:**

8 a) Toronto Hydro considers the work of a given program to be sufficiently urgent to  
9 justify departures from competitive bidding in the short term if failing to do the work  
10 would present unacceptable risks to safety, reliability, or compliance with statutory,  
11 code, or other external requirements, or if a postponement of the work would  
12 introduce a substantial risk of significant cost escalation, for example due to having to  
13 complete work that could have been done on a planned basis under emergency,  
14 reactive conditions.

15

16 Depending on the complexity of the goods or services that Toronto Hydro needs to  
17 purchase, it can take anywhere between one to six months to conduct a competitive  
18 bid process. If a functional requirement must be met before the competitive bid  
19 process can be completed, the utility may engage a vendor on a short-term basis to  
20 perform the work or supply the goods. Based on this rationale, DDP Technologies  
21 was engaged to conduct maintenance work and perform repairs on certain assets  
22 while Toronto Hydro completed a competitive bid process for a long term vendor.  
23 Toronto Hydro would consider similar departures for other programs, on a case by  
24 case basis, as necessary to satisfy short term functional requirements.

25

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- 1    b) Toronto Hydro negotiated with Panasonic instead of doing a formal RFP because  
2        Panasonic informed Toronto Hydro that its manufacturer pricing was significantly  
3        lower than pricing offered through resellers, and that it would not participate in an  
4        RFP against its resellers. Toronto Hydro assessed the competitiveness of Panasonic's  
5        direct price by obtaining quotes from four different resellers; this exercise confirmed  
6        that the lowest reseller quote was 18.4% higher than the direct pricing offered by  
7        Panasonic. In these circumstances, Toronto Hydro did not undertake an RFP among  
8        resellers because it would have led to significantly higher costs than purchasing  
9        directly from Panasonic. The approach of purchasing directly from a manufacturer  
10       may be utilized in other circumstances where manufacturers either do not sell their  
11       goods through a distributor/reseller model or do so at significant cost mark-up, as  
12       evidenced by a market assessment.

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1    **INTERROGATORY 71:**

2    **Reference(s):**            **Exhibit 4A, Tab 4, Schedule 5, App. 2-K**

3

4

5    With respect to the first reference:

6    a) Please confirm that the amounts shown in Appendix 2-K are totals before  
7       capitalization to fixed assets;

8    b) Please provide a benefits table that shows cash benefit costs separate from OPEBs  
9       before capitalization that balances to the numbers in Appendix 2-K;

10   c) Please show how much of the total benefit costs in Appendix 2-K have been  
11       capitalized in fixed assets and how much has been recorded in OM&A.

12

13    **RESPONSE:**

14    a) Confirmed.

15

16    b) Please see the table below.

<b>\$Millions</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Bridge</b>	<b>2015 Test</b>
Benefits net of OPEBs	\$40.8	\$ 35.0	\$ 40.6	\$ 40.3	\$ 39.4
OPEBs	\$ 16.7	\$ 20.4	\$ 17.4	\$ 16.3	\$ 16.5
<b>Total Benefits (including OPEB)</b>	<b>\$ 57.5</b>	<b>\$ 55.4</b>	<b>\$ 57.9</b>	<b>\$ 56.7</b>	<b>\$ 55.9</b>

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1 c) Please see the table below.

<b>\$Millions</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Bridge</b>	<b>2015 Test</b>
Total Capitalized Benefits	\$23.3	\$19.9	\$22.3	\$21.3	\$20.9
Total OM&A Benefits	\$34.2	\$35.5	\$35.6	\$35.4	\$34.9
<b>Total Benefits</b>	<b>\$57.5</b>	<b>\$55.4</b>	<b>\$57.9</b>	<b>\$56.7</b>	<b>\$55.9</b>

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1 **INTERROGATORY 72:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 7, Towers Watson actuarial report**

3

4

5 The above reference provides calculations in accordance with US GAAP. THESL has  
6 applied for rates under IFRS.

7

8 Please provide an analysis that compares the 2014 and 2015 projections under US GAAP  
9 with IFRS. In the event, there are any differences arising from this analysis, please state  
10 whether or not THESL would consider it necessary to update its application to reflect  
11 them. If not, please explain why not.

12

13

14 **RESPONSE:**

15 OPEB projections for 2014 are provided under US GAAP and those for 2015 are  
16 provided under IFRS, consistent with Toronto Hydro's transition to IFRS on January 1,  
17 2015. Please refer to Appendix A to this response for a copy of the IFRS actuarial report  
18 as at December 31, 2013. This report includes IFRS projections for 2015 that were  
19 included in the Application.

January 16, 2014

Mr. Daniel Paquin  
Toronto Hydro Corporation  
14 Carlton Street  
Toronto, ON  
M5B 1K5

Dear Dan:

**POST-EMPLOYMENT BENEFITS FOR EMPLOYEES OF TORONTO HYDRO  
2013 YEAR-END DISCLOSURES AND ESTIMATED 2014 AND 2015 BENEFIT EXPENSE UNDER  
INTERNATIONAL ACCOUNTING STANDARDS**

As requested, this letter and appendices have been prepared for Toronto Hydro Corporation ("the Company", or "Toronto Hydro") and present the Company's liabilities and costs in respect of the following post-retirement and post-employment benefits plans ("the Plans"):

- Extended health benefits for retirees and members on total and permanent long-term disability;
- Dental benefits for retirees and members on total and permanent long-term disability;
- Life insurance benefits for retirees;
- Vested and non-vested accumulating sick leave benefits;
- OMERS top up pension; and
- Executive retirement allowances.

This letter and appendices have been prepared for the Company, for the following purposes:

- Determining the final calculation of the 2013 benefit expense under International Financial Reporting Standards (IFRS) in accordance with International Accounting Standards Section 19 revised in 2011;
- Providing the required information for year-end disclosure purposes as of December 31, 2013 under IAS 19 rev. 2011; and
- Determining an estimate of 2014 and 2015 benefit expense under IAS 19 rev. 2011.

The information contained in this letter and appendices is presented in thousands of Canadian dollars, and is in respect of the benefits mentioned above only.

The 2013 benefit expense was determined based on the 2013 benefit expense provided in our letter dated January 15, 2013, with updates for immediate recognition of (gains)/losses related to the retirement allowance and the accumulating sick leave benefits plans. The 2013 year-end disclosure obligations and extrapolations for 2014 and 2015 are based on the results of the January 1, 2012 actuarial valuation.

In 2013, the Company chose to include an obligation in respect of two executive retirement allowances (one of which is considered an incentive plan under IFRS, and the other considered a post-employment benefit under IFRS) granted to one key employee. As directed by the company, the impact of this change was recognized as part of the service cost in expense as at June 30, 2013 in the financial accounting for the Plans under IFRS for the Toronto Hydro Corporation division. Please refer to our email dated July 18, 2013 for additional information.



The balance of this letter sets out comments and notes to our calculations. Appendix A provides details of the relevant accounting results. Please refer to the January 1, 2012 actuarial valuation report prepared by Towers Watson for the summaries of the plan provisions, the membership data and the actuarial basis used in the valuation.

## ACTUARIAL ASSUMPTIONS AND METHODS

- The measurement date used for Fiscal 2013 year-end financial reporting is December 31, 2013.
- The 2013 benefit expense is based on a discount rate of 4.25% per annum and the defined benefit obligation ("DBO") at December 31, 2013 is based on a discount rate of 4.75% per annum, as instructed by the Company. The discount rates are based on long-term high-quality Canadian corporate bond yields at December 31, 2012 and December 31, 2013 respectively.
- Other than those noted in this letter, the actuarial methods and assumptions used for the determination of the 2013 net periodic benefit cost and the December 31, 2013 obligation are consistent with those used for the 2012 disclosures.
- The obligation as of December 31, 2013 and the 2014 and 2015 expense estimates are based on extrapolations from the January 1, 2012 valuation results for the medical, dental, life insurance, accumulating sick leave and OMERS benefits plans, and the June 30, 2013 valuation results for the retirement allowance benefit plans, assuming that there are no experience gains or losses other than from actual benefit payments being different from expected, and reflecting changes in the assumptions during the extrapolation period such as changes in the discount rate.

## ACCOUNTING METHODS

- The information presented assumes that the transition date (between IAS 19 rev. 2008 and IAS 19 rev. 2011) is January 1, 2013.
- Under IAS 19 rev. 2011, we understand that Toronto Hydro has determined that both the non-vested accumulating sick leave benefits plan and the vested accumulating sick leave benefits plan should be included for post-employment benefits reporting. As such, these benefits are included in the financial information under IAS 19 rev. 2011 presented in this letter.
- As directed by the Company, as of January 1, 2013, upon transition from IAS 19 rev. 2008 to IAS 19 rev. 2011, all unrecognized gains and losses were fully recognized in other comprehensive income. As such there were no further unrecognized actuarial gains and losses reflected in the defined benefit liability at January 1, 2013 under IAS 19 rev. 2011.
- On an ongoing basis, actuarial gains and losses for all benefit plans other than the accumulating sick leave benefits plans and the one executive retirement allowance considered to be an incentive plan will be immediately recognized in other comprehensive income. Actuarial gains and losses for the accumulating sick leave benefits plans and the one executive retirement allowance considered to be an incentive plan will be recognized immediately in expense.
- On an ongoing basis, the impact of plan changes will be immediately recognized in benefit expense.

## SUMMARY OF FINANCIAL RESULTS

### Disclosure Results Summary

The summary of Fiscal 2013 benefit expense, the defined benefit liability and the DBO as at December 31, 2013, under IAS 19 rev. 2011 are as follows (in \$ 000s):

	<i><b>Fiscal 2013 Net Periodic Benefit Costs</b></i>	<i><b>Defined Benefit Asset/(Liability) at December 31, 2013</b></i>	<i><b>DBO at December 31, 2013</b></i>
Electric System Limited	\$ 15,028	\$ (229,962)	\$ 229,962
Toronto Hydro Corporation	408	(2,193)	2,193
Energy Service Incorporated	270	(2,815)	2,815
LDC Unregulated	96	(1,041)	1,041
Consolidated	15,802	(236,011)	236,011

- Actual benefit payments for 2013 of \$10,936,000 are based on information provided by the Company on January 9, 2013. We have projected 2014 and 2015 benefit payments based on the valuation assumptions.

### OTHER COMMENTS

- The Company transitioned to IFRS rev. 2011 from IFRS rev. 2008 for financial reporting beginning in Fiscal 2013. Please refer to our letter dated January 15, 2013 for additional details.
- We understand that the post-employment benefits plans are not pre-funded, and therefore our accounting results do not consider any expected investment income on plan assets.
- As directed by the Company, the full defined benefit liability has been classified as a non-current liability
- A draft report on Canadian Pensioners Mortality has been published by the Canadian Institute of Actuaries. We understand that the Company will assess the appropriateness of the new mortality tables when the report is released.
- Other than those described in this letter and appendices, the Company's management has confirmed that there have been no significant events, changes to the plan provisions or changes to plan membership since January 1, 2012 for the all benefit plans other than the retirement allowance, and since June 30, 2013 for the retirement allowance, that would materially affect the results of our valuations.

\* \* \* \* \*

### ACTUARIAL CERTIFICATION

The consulting actuaries are members of the Canadian Institute of Actuaries and Society of Actuaries and other professional actuarial organizations and meets their "General Qualification Standard for Statements of Actuarial Opinions" relating to pension and other post-employment benefit plans.

In preparing the results presented in this letter (including attached exhibits), we have relied upon information provided to us regarding plan provisions, actual benefit payments, historical plan costs and plan participants. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results presented in this letter is dependent upon the accuracy and completeness of the underlying information.

The figures provided in this letter reflect, to the best of our knowledge, all of the Company's substantive commitments and obligations, as described herein. Furthermore, to the best of our knowledge, there are no other subsequent events, the occurrence of which is probable and the effects of which are reasonably estimable, which have not been reflected in the figures provided as of the date of our letter.

The calculations for the 2013, 2014 and 2015 accounting schedules have been made in accordance with Section 19 (IAS 19 rev. 2011) of the International Accounting Standards, with which we are familiar.

The actuarial assumptions, methods (including guidance on attribution methods) and the accounting policies and methods employed in the development of the pension cost have been selected by the Toronto Hydro management as representing their best estimates of future contingent events.

The expense and obligation levels will change in the future as a result of future changes in the actuarial methods and assumptions, the membership data, the plan provisions, accounting rules, legislature, and the government health care programs, or as a result of future experience gains or losses. None of these changes has been anticipated at this time, but will be revealed in future accounting valuations.

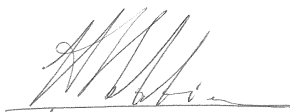
The results shown in this letter have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

\* \* \* \* \*

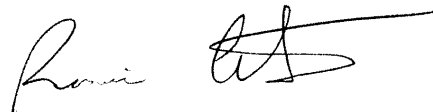
The information contained in this report was prepared for Toronto Hydro, for its internal use and for the preparation of its period financial disclosures, and its auditors, for the preparation of its periodic financial disclosures. It is neither intended nor necessarily suitable for other purposes. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited with Towers Watson's prior written consent.

We are pleased to provide you with this year-end disclosure report. Please contact us if you need any additional information.

Towers Watson



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Enclosures

cc: Olga Baliakina, Mitchell Coviensky — Towers Watson

Post-Employment Benefits Plan - IFRS (rev. 2011) - 2013 Year-End Disclosure Information (\$ 000's)

	Electric System Limited	Toronto Hydro Corporation	Energy Services Incorporated	LDC Unregulated	Consolidated
<b>Statement of Financial Position at Beginning of Period</b>					
Defined Benefit Asset/(Liability) at Beginning of Period	(244,084)	(2,020)	(2,909)	(1,068)	(250,081)
<b>Reconciliation of Defined Benefit Obligation</b>					
Defined Benefit Obligation at Beginning of Period	244,084	2,020	2,909	1,068	250,081
Employer Service Cost at Beginning of Period	5,355	321	118	49	5,843
Interest Cost	10,383	92	128	47	10,650
Net Actuarial (Gain) or Loss					
<i>Sick Leave Plan</i>	(710)	-	24	-	(686)
<i>Retirement Allowance Plan #1</i>	-	(5)	-	-	(5)
<i>Other</i>	(18,384)	(157)	(304)	(91)	(18,936)
<i>Total Net Actuarial (Gain) or Loss</i>	(19,094)	(162)	(280)	(91)	(19,627)
Benefits Paid Directly by the Employer	(10,766)	(78)	(60)	(32)	(10,936)
Defined Benefit Obligation at Current Period End	229,962	2,193	2,815	1,041	236,011
<b>Change in Plan Assets</b>					
Fair Value of Plan Assets at Prior Period End	-	-	-	-	-
Employer Contributions	10,766	78	60	32	10,936
Benefits Paid	(10,766)	(78)	(60)	(32)	(10,936)
Fair Value of Plan Assets at Current Period End	-	-	-	-	-
<b>Total Benefit (Expense)/Income for Period</b>					
Employer Service Cost at Beginning of Period	5,355	321	118	49	5,843
Interest Cost	10,383	92	128	47	10,650
Actuarial (Gain)/Loss Recognized in Expense	(710)	(5)	24	-	(691)
Total Benefit Expense/(Income)	15,028	408	270	96	15,802
<b>Reconciliation of Balance Sheet</b>					
Defined Benefit Asset/(Liability) at Prior Period End	(244,084)	(2,020)	(2,909)	(1,068)	(250,081)
Total Benefit (Expense)/Income for Period	(15,028)	(408)	(270)	(96)	(15,802)
Benefits Paid Directly by the Employer	10,766	78	60	32	10,936
Gain/(Loss) Recognized via OCI	18,384	157	304	91	18,936
Defined Benefit Asset/(Liability) at Current Period End	(229,962)	(2,193)	(2,815)	(1,041)	(236,011)
<b>Change in Accumulated Other Comprehensive Income</b>					
Cumulative Actuarial (Gain) or Loss Recognized via OCI at Prior Period End	-	-	-	-	-
(Gain) or Loss recognized upon transition to IFRS rev. 2011	36,315	637	656	217	37,825
Actuarial (Gain) or Loss Recognized via OCI for Period	(18,384)	(157)	(304)	(91)	(18,936)
Cumulative Actuarial (Gain) or Loss Recognized via OCI at Current Period End	17,931	480	352	126	18,889
<b>Statement of Financial Position at End of Period</b>					
Defined Benefit Asset/(Liability) at Current Period End	(229,962)	(2,193)	(2,815)	(1,041)	(236,011)
<b>Breakdown of Defined Benefit Obligation: Current and Non-Current</b>					
Current Liabilities	-	-	-	-	-
Non-Current Asset/(Liability)	(229,962)	(2,193)	(2,815)	(1,041)	(236,011)
Defined Benefit Asset/(Liability) at Current Period End	(229,962)	(2,193)	(2,815)	(1,041)	(236,011)
<b>Sensitivity to Changes in Medical and Dental Trend Rate Assumption</b>					
Effect on total of service and interest cost for 2013					
1% point increase	2,300	11	41	16	2,368
1% point decrease	(2,010)	(11)	(37)	(14)	(2,072)
Effect on accrued benefit obligation at December 31, 2013					
1% point increase	28,986	202	459	157	29,804
1% point decrease	(25,426)	(182)	(403)	(139)	(26,150)
<b>Key Assumptions</b>					
Discount rate at Dec 31/13 (used for Dec 31/13 obligation)	4.75%	4.75%	4.75%	4.75%	4.75%
Discount rate at Dec 31/12 (used for 2013 Benefit Costs)	4.25%	4.25%	4.25%	4.25%	4.25%
Assumed medical and dental cost trend rate at December 31, 2013					
Dental care cost trend rate assumed for next year	4.0%	4.0%	4.0%	4.0%	4.0%
For pre July 2000 retirements:					
Health care cost trend rate assumed for next year	6.0%	6.0%	6.0%	6.0%	6.0%
Rate that the cost trend gradually declines to	5.0%	5.0%	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate rate	2016	2016	2016	2016	2016
For other retirements:					
Health care cost trend rate assumed for next year	7.5%	7.5%	7.5%	7.5%	7.5%
Rate that the cost trend gradually declines to	5.0%	5.0%	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate rate	2019	2019	2019	2019	2019
Expected Benefit Payments for Following Year	8,245	90	44	22	8,401

Post-Employment Benefits Plan - IFRS (rev. 2011) - 2014 Expense Estimate (\$ 000's)

	Electric System Limited	Toronto Hydro Corporation	Energy Services Incorporated	LDC Unregulated	Consolidated
<b>Statement of Financial Position at Beginning of Period</b>	<b>January 01, 2014</b>				
Defined Benefit Asset/(Liability) at Beginning of Period	(229,962)	(2,193)	(2,815)	(1,041)	(236,011)
<b>Reconciliation of Defined Benefit Obligation</b>	<b>2014</b>				
Defined Benefit Obligation at Beginning of Period	229,962	2,193	2,815	1,041	236,011
Employer Service Cost at Beginning of Period	4,931	198	109	44	5,282
Interest Cost	10,962	111	138	51	11,262
Net Actuarial (Gain) or Loss	-	-	-	-	-
Benefits Paid Directly by the Employer	(8,245)	(90)	(44)	(22)	(8,401)
Defined Benefit Obligation at Current Period End	237,610	2,412	3,018	1,114	244,154
<b>Change in Plan Assets</b>	<b>2014</b>				
Fair Value of Plan Assets at Prior Period End	-	-	-	-	-
Employer Contributions	8,245	90	44	22	8,401
Benefits Paid	(8,245)	(90)	(44)	(22)	(8,401)
Fair Value of Plan Assets at Current Period End	-	-	-	-	-
<b>Total Benefit (Expense)/Income for Period</b>	<b>2014</b>				
Employer Service Cost at Beginning of Period	4,931	198	109	44	5,282
Interest Cost	10,962	111	138	51	11,262
Total Benefit Expense/(Income)	15,893	309	247	95	16,544
<b>Reconciliation of Balance Sheet</b>	<b>2014</b>				
Defined Benefit Asset/(Liability) at Prior Period End	(229,962)	(2,193)	(2,815)	(1,041)	(236,011)
Total Benefit (Expense)/Income for Period	(15,893)	(309)	(247)	(95)	(16,544)
Benefits Paid Directly by the Employer	8,245	90	44	22	8,401
Gain/(Loss) Recognized via OCI	-	-	-	-	-
Defined Benefit Asset/(Liability) at Current Period End	(237,610)	(2,412)	(3,018)	(1,114)	(244,154)
<b>Change in Accumulated Other Comprehensive Income</b>	<b>2014</b>				
Cumulative Actuarial (Gain) or Loss Recognized via OCI at Prior Period End	17,931	480	352	126	18,889
Actuarial (Gain) or Loss Recognized via OCI for Period	-	-	-	-	-
Cumulative Actuarial (Gain) or Loss Recognized via OCI at Current Period End	17,931	480	352	126	18,889
<b>Statement of Financial Position at End of Period</b>	<b>December 31, 2014</b>				
Defined Benefit Asset/(Liability) at Current Period End	(237,610)	(2,412)	(3,018)	(1,114)	(244,154)
<b>Breakdown of Defined Benefit Obligation: Current and Non-Current</b>	<b>December 31, 2014</b>				
Current Liabilities	-	-	-	-	-
Non-Current Asset/(Liability)	(237,610)	(2,412)	(3,018)	(1,114)	(244,154)
Defined Benefit Asset/(Liability) at Current Period End	(237,610)	(2,412)	(3,018)	(1,114)	(244,154)
<b>Key Assumptions</b>					
Discount rate at Dec 31/14 (used for Dec 31/13 obligation)	4.75%	4.75%	4.75%	4.75%	4.75%
Discount rate at Dec 31/13 (used for 2014 Benefit Costs)	4.75%	4.75%	4.75%	4.75%	4.75%
Assumed medical and dental cost trend rate at December 31, 2014					
Dental care cost trend rate assumed for next year	4.0%	4.0%	4.0%	4.0%	4.0%
For pre July 2000 retirements:					
Health care cost trend rate assumed for next year	5.5%	5.5%	5.5%	5.5%	5.5%
Rate that the cost trend gradually declines to	5.0%	5.0%	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate rate	2016	2016	2016	2016	2016
For other retirements:					
Health care cost trend rate assumed for next year	7.0%	7.0%	7.0%	7.0%	7.0%
Rate that the cost trend gradually declines to	5.0%	5.0%	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate rate	2019	2019	2019	2019	2019
<b>Expected Benefit Payments for Following Year</b>	8,384	96	47	25	8,552

Post-Employment Benefits Plan - IFRS (rev. 2011) - 2015 Expense Estimate (\$ 000's)

	Electric System Limited	Toronto Hydro Corporation	Energy Services Incorporated	LDC Unregulated	Consolidated
<b>Statement of Financial Position at Beginning of Period</b>					
<b>January 01, 2015</b>					
Defined Benefit Asset/(Liability) at Beginning of Period	(237,610)	(2,412)	(3,018)	(1,114)	(244,154)
<b>Reconciliation of Defined Benefit Obligation</b>					
<b>2015</b>					
Defined Benefit Obligation at Beginning of Period	237,610	2,412	3,018	1,114	244,154
Employer Service Cost at Beginning of Period	5,128	206	113	46	5,493
Interest Cost	11,331	122	148	55	11,656
Net Actuarial (Gain) or Loss	-	-	-	-	-
Benefits Paid Directly by the Employer	(8,384)	(96)	(47)	(25)	(8,552)
Defined Benefit Obligation at Current Period End	245,685	2,644	3,232	1,190	252,751
<b>Change in Plan Assets</b>					
<b>2015</b>					
Fair Value of Plan Assets at Prior Period End	-	-	-	-	-
Employer Contributions	8,384	96	47	25	8,552
Benefits Paid	(8,384)	(96)	(47)	(25)	(8,552)
Fair Value of Plan Assets at Current Period End	-	-	-	-	-
<b>Total Benefit (Expense)/Income for Period</b>					
<b>2015</b>					
Employer Service Cost at Beginning of Period	5,128	206	113	46	5,493
Interest Cost	11,331	122	148	55	11,656
Total Benefit Expense/(Income)	16,459	328	261	101	17,149
<b>Reconciliation of Balance Sheet</b>					
<b>2015</b>					
Defined Benefit Asset/(Liability) at Prior Period End	(237,610)	(2,412)	(3,018)	(1,114)	(244,154)
Total Benefit (Expense)/Income for Period	(16,459)	(328)	(261)	(101)	(17,149)
Benefits Paid Directly by the Employer	8,384	96	47	25	8,552
Gain/(Loss) Recognized via OCI	-	-	-	-	-
Defined Benefit Asset/(Liability) at Current Period End	(245,685)	(2,644)	(3,232)	(1,190)	(252,751)
<b>Change in Accumulated Other Comprehensive Income</b>					
<b>2015</b>					
Cumulative Actuarial (Gain) or Loss Recognized via OCI at Prior Period End	17,931	480	352	126	18,889
Actuarial (Gain) or Loss Recognized via OCI for Period	-	-	-	-	-
Cumulative Actuarial (Gain) or Loss Recognized via OCI at Current Period End	17,931	480	352	126	18,889
<b>Statement of Financial Position at End of Period</b>					
<b>December 31, 2015</b>					
Defined Benefit Asset/(Liability) at Current Period End	(245,685)	(2,644)	(3,232)	(1,190)	(252,751)
<b>Breakdown of Defined Benefit Obligation: Current and Non-Current</b>					
<b>December 31, 2015</b>					
Current Liabilities	-	-	-	-	-
Non-Current Asset/(Liability)	(245,685)	(2,644)	(3,232)	(1,190)	(252,751)
Defined Benefit Asset/(Liability) at Current Period End	(245,685)	(2,644)	(3,232)	(1,190)	(252,751)
<b>Key Assumptions</b>					
Discount rate at Dec 31/15 (used for Dec 31/15 obligation)	4.75%	4.75%	4.75%	4.75%	4.75%
Discount rate at Dec 31/14 (used for 2015 Benefit Costs)	4.75%	4.75%	4.75%	4.75%	4.75%
Assumed medical and dental cost trend rate at December 31, 2015					
Dental care cost trend rate assumed for next year	4.0%	4.0%	4.0%	4.0%	4.0%
For pre July 2000 retirements:					
Health care cost trend rate assumed for next year	5.0%	5.0%	5.0%	5.0%	5.0%
Rate that the cost trend gradually declines to	5.0%	5.0%	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate rate	2016	2016	2016	2016	2016
For other retirements:					
Health care cost trend rate assumed for next year	6.5%	6.5%	6.5%	6.5%	6.5%
Rate that the cost trend gradually declines to	5.0%	5.0%	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate rate	2019	2019	2019	2019	2019
<b>Expected Benefit Payments for Following Year</b>	8,990	99	53	28	9,170

## **RESPONSES TO CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL ONE INTERROGATORIES**

1 **INTERROGATORY 4:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 3, page 11**

3

4

5 The Applicant states:

6

7 *To limit the rate increases for the upcoming rate period, Toronto Hydro proposes to*  
8 *continue to replace employees as they retire on a ‘Just in time’ basis. This is not the*  
9 *optimal approach to workforce renewal, given the time that is required to safely and*  
10 *effectively train new workforce entrants to work on Toronto Hydro’s distribution system.*  
11 *It was adopted, however, to constrain costs over the 2015 to 2019 period. As a long-term*  
12 *strategy, this approach is not preferred because it may compromise Toronto Hydro’s*  
13 *ability to satisfy its commitments.*

14

15 Please explain:

16 a) What specifically is meant by the reference to the replacement of employees as they  
17 retire on a “just in time” basis.

18 b) How this approach constrains costs.

19 c) When this was approach implemented and why was it implemented.

20 d) Explain the rationale for the following statement: “as a long term strategy, this  
21 approach is not preferred because it may compromise Toronto Hydro’s ability to  
22 satisfy its commitments.”

23 e) The knowledge transfer strategy, if any, for “‘just in time’ replacement of employees  
24 as they retire”.

## **RESPONSES TO CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL ONE INTERROGATORIES**

- 1 f) The health and safety impact and productivity impact of “just in time” replacement  
2 retiring employees. Also, quantify the annual impact of the program from the date of  
3 implementation until 2019.
- 4 g) Since date of implementation of the program until 2019, please provide the annual  
5 gross and net cost savings derived from “just in time” replacement of employees as  
6 they retire. Also provide the number of retired employees who have been replaced in  
7 this manner according to the following categories: senior managerial; other non-  
8 represented; CUPE-represented; and, Society-represented.
- 9 h) Further to 4 g) above, provide the annual gross and net cost savings from “‘just in  
10 time’ replacement of employees as they retire” per retired employee who has been  
11 replaced in this manner.

12  
13

### **RESPONSE:**

- 15 a) “Just-in-time” refers to the practice of hiring replacement employees as existing  
16 employees exit the organization. The objective of this approach is to constrain costs.  
17
- 18 b) The “just-in-time” hiring approach constrains costs because it eliminates the overlap  
19 between existing employees and their future replacements. In other words, if Toronto  
20 Hydro’s practice were to hire new employees in advance to fulfill future vacancies,  
21 the utility would incur both the costs of the new employee and the existing employee  
22 during the period of overlap.  
23
- 24 c) As outlined in Exhibit 4A, Tab 4, Schedule 4, page 11, this approach will be  
25 implemented in 2015, to constrain costs and limit rate increases over the 2015 to 2019  
26 rate period.



**RESPONSES TO CANADIAN UNION OF PUBLIC EMPLOYEES  
LOCAL ONE INTERROGATORIES**

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- d) The rationale for this statement is that sustained use of the “just-in-time” approach may not allow enough time to provide for knowledge transfer and integrate employees into the workforce on a long term basis. In addition, based on the challenges in the Canadian utility sector as cited in the Conference Board of Canada report, Toronto Hydro may have difficulty recruiting employees with the necessary skills and experience from the external labour market when they are required.
- e) As detailed in Exhibit 4A, Tab 4, Schedule 4, page 12, lines 16-19, Toronto Hydro’s strategy is to leverage senior and experienced employees to transfer corporate and technical knowledge to newly hired employees. This strategy includes training, supervision and mentorship of newly hired employees on Toronto Hydro’s practices, procedures, and standards.
- f) Toronto Hydro does not expect the “just-in-time” hiring model to have any adverse health and safety or productivity impacts over the rate period.
- g) Toronto Hydro has not quantified the precise annual cost savings of “just in time” hiring model. See the response to question (b) for an explanation of how this approach is expected to constrain costs. As outlined above in the response to question (c), the “just-in time” approach will be implemented in 2015; therefore, Toronto Hydro cannot provide the number of retired employees who have been replaced in this manner.
- h) See the response to question (g).

## **RESPONSES TO CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL ONE INTERROGATORIES**

1 **INTERROGATORY 5:**

2 **Reference(s):** Evidence on staff retirement levels at Exhibit 4A, Tab 4,  
3 Schedule 3, page 16, Table 4 “Toronto Hydro Retirement  
4 Projections (2014-2019)”  
5  
6

- 7 a) Provide the annual break down of these levels between senior management; other  
8 non-represented; CUPE represented, and; Society represented.  
9 b) Provide on an annual basis the actual retirements for 2007 to 2013 broken down by  
10 the categories in a) above.  
11 c) Provide the external staff hires [of new permanent staff on the Toronto Hydro  
12 payroll] resulting from retirements for 2007 to 2019. Also provide the number of  
13 these who were engaged initially as temporary staff by Toronto Hydro.  
14 d) Provide an explanation in the event that the annual levels of hires provided in c)  
15 above do not match the annual levels of retirements in a) and b) above.  
16  
17

18 **RESPONSE:**

- 19 a) The table below provides the requested breakdown:

## RESPONSES TO CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL ONE INTERROGATORIES

THESL RETIREMENT PROJECTIONS - 2015 TO 2019						
CATEGORY	2014	2015	2016	2017	2018	2019
SENIOR MANAGEMENT	1	1	1	0	3	1
OTHER NON-UNION	6	3	11	10	17	22
CUPE	70	31	33	47	51	82
SOCIETY	3	1	2	2	1	1
ANNUAL TOTAL	80	36	47	59	72	106
CUMULATIVE TOTAL	80	116	163	222	294	400

- 1 b) The table below provides a breakdown of actual retirements by the requested  
2 categories, for 2011 to 2013. Toronto Hydro objects, on the basis of relevance, to  
3 providing pre-2011 actual retirements as this information predates the utility's last  
4 rebasing application (EB-2010-0142), and has no probative value to deciding the  
5 issues in this Application.

THESL RETIREMENTS			
CATEGORY	2011	2012	2013
SENIOR MANAGEMENT	6	1	2
OTHER NON-UNION	10	9	14
CUPE UNION	46	20	38
SOCIETY ENGINEERS	0	2	0
TOTAL	62	32	54

- 6 c) The table below provides the requested information with respect to the replacement of  
7 retired employees. Toronto Hydro objects, on the basis of relevance, to providing  
8 pre-2011 information as it predates the utility's last rebasing application (EB-2010-  
9 0142).

## **RESPONSES TO CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL ONE INTERROGATORIES**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>External Hires</b>	40	3	4	22
<b>External Hires (Temporary Staff<sup>1</sup> Initial Engagement)</b>	1	0	0	3

- 1 d) The annual levels of hires provided in c) do not match the annual levels of retirements  
2 in responses a) and b), above, because Toronto Hydro sustained a workforce  
3 reduction to constrain costs during the IRM period.

---

<sup>1</sup> Temporary staff refers to employees hired on contract for a defined term.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 29:**

**Reference(s):**           **Exhibit 4A, Tab 1, Schedule 1**

Please provide all correspondence provided to internal staff regarding the development of the 2015 OM A budget and budgeting beyond 2015. Toronto Hydro has presented the OM&A evidence by Program. Are certain Directors/Managers responsible for each program or does the Company operate in according to another structure? If it does please provide that structure and indicate how the “programs” are managed within that structure. If possible please provide an organizational chart that describes who is responsible for each “program”.

**RESPONSE:**

Toronto Hydro developed the OM&A plan on the basis of both a top-down and bottom-up approach as described in Exhibit 1C, Tab 3, Schedule 2. During the process, multiple planning activities were concurrently conducted, and inputs and outcome considerations were being formed. An iterative planning approach was used in order to facilitate robust decision-making and prudent planning.

Over a three-week period commencing in 2014Q1, a series of Finance-initiated meetings were held with departmental senior management regarding their respective OM&A. These meetings covered planning structure, approach and timing for the development of the 2015 OM&A budget. Departments were asked to identify their anticipated current and sustained needs for the five-year period in light of the multi-year constrained funding mechanism. Refer to Appendix A for the related material.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

- 1
- 2 The organizational chart that describes Toronto Hydro's senior management team and
- 3 their respective responsibility for each program is attached as Appendix B.

# FINANCIAL PLANNING PROCESS UPDATE

February 2014

# Index



## Background



## Structure



## Approach



## Timing

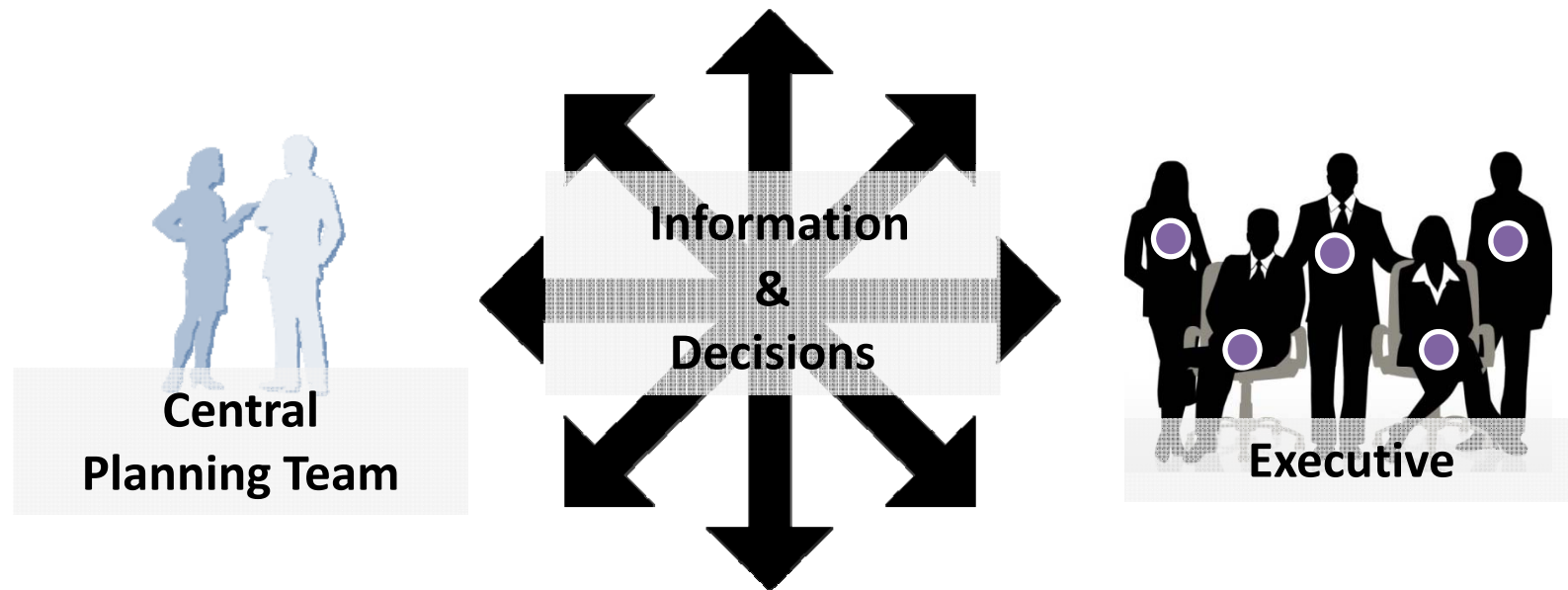
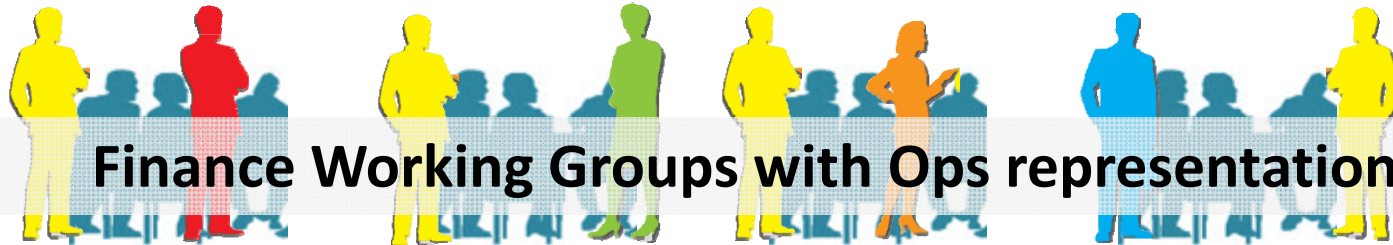




## Current State Parallel Activities

- Numerous activities impacting corporate plan are underway
  - Regulatory strategy and considerations
  - Workforce strategy
  - Financial considerations
  - Productivity activities
  - Capital planning
  - Other operational requirements
- Strategy and inputs not necessarily finalized
  - Different stages of completion
- Unsynchronized and overlapping activities

## Current State – Information Flow



**Operational Teams with Exec representation**



## Consequences

- **Different direction**
  - Missing or late inputs
  - Expectation gap
- **Delayed or late decisions**
  - Re-work
  - Weak evidence
- **Improper assessments**
  - Poor decisions
  - Increased risk

- Delays
- Inefficiencies
- Frustration
- Organizational Risk



# Enhancements

## Objective

- Improve the consolidated financial planning process

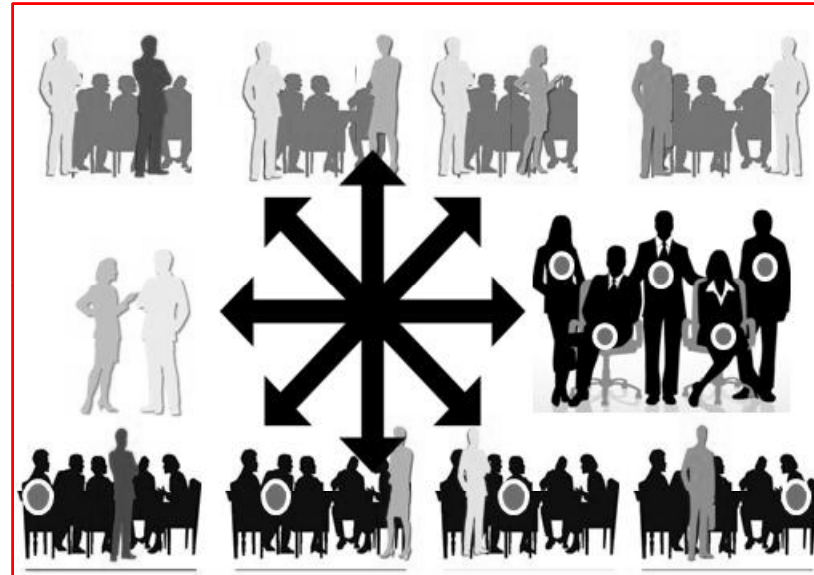
## Focus

- **Alignment**
  - Integrated inputs, assessments and outputs
- **Decisions**
  - Enable timely (early) and firm decisions
- **Pace**
  - Timely inputs and timely deliverables

## Scope

- Matters impacting financial assessments and decisions
  - Operational, Regulatory, Finance

# Proposed State

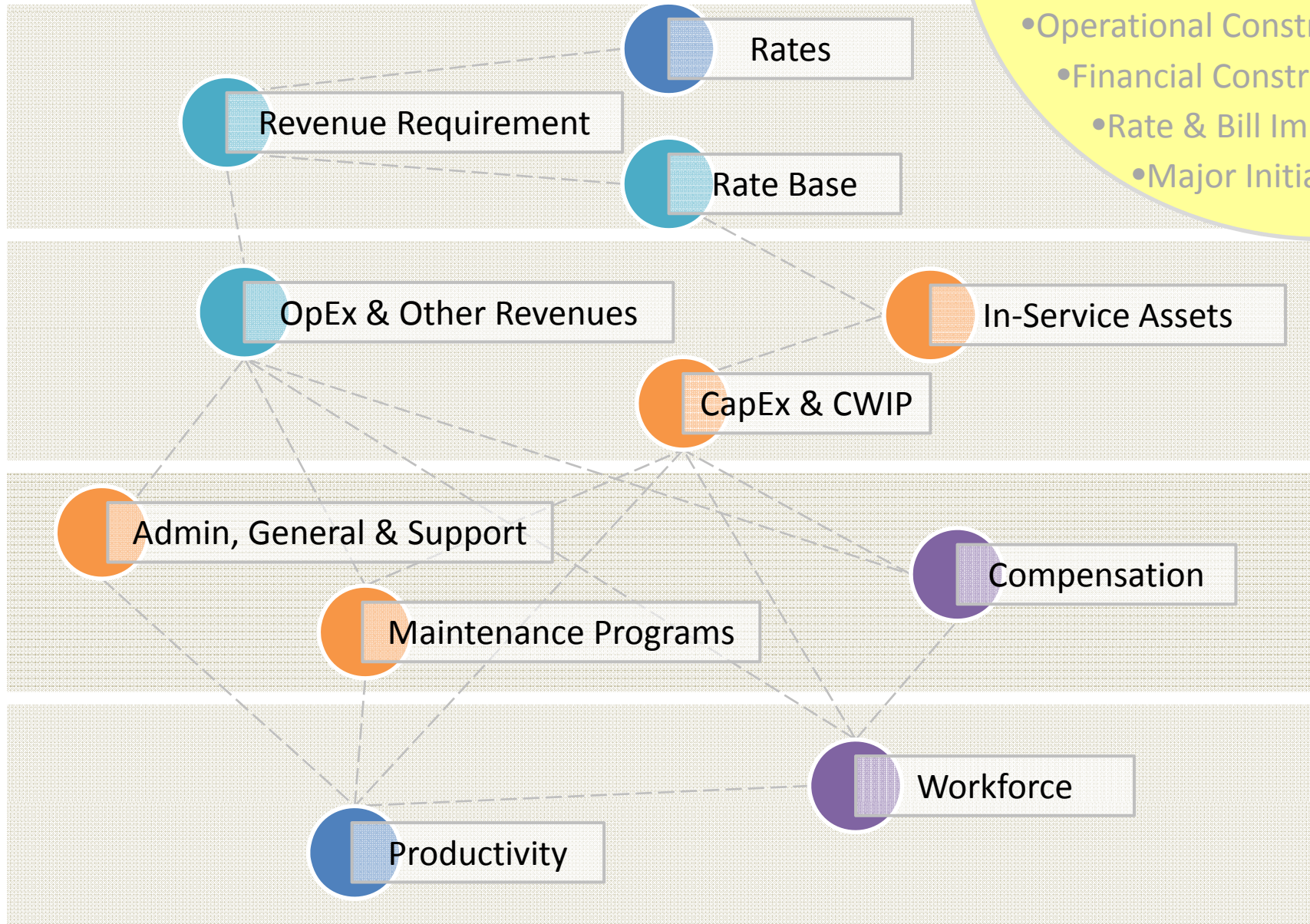




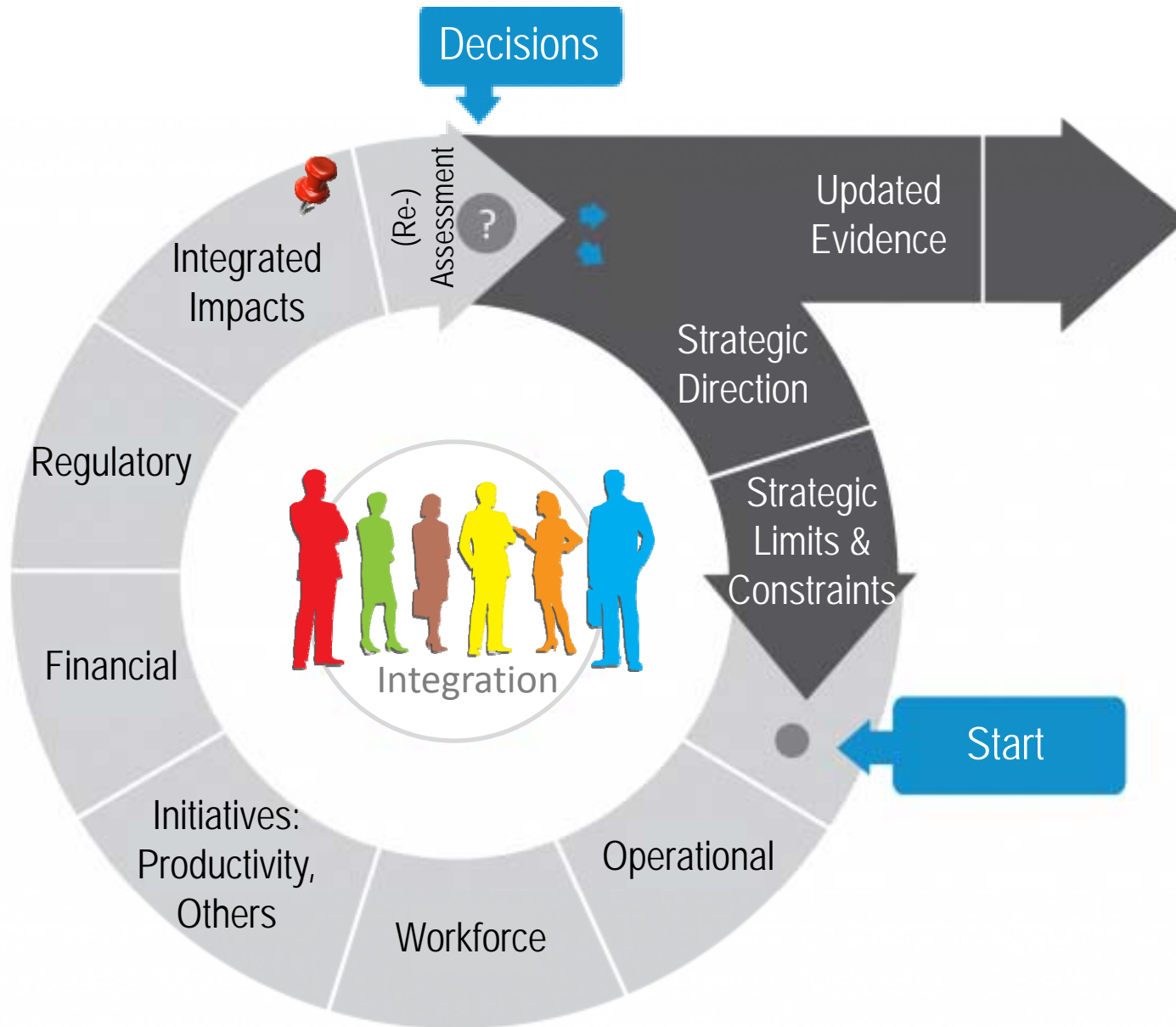
# Financial Planning Components

## Interdependencies

- Strategic Direction
- Regulatory Framework
  - Accounting Standards
  - Operational Constraints
  - Financial Constraints
  - Rate & Bill Impacts
  - Major Initiatives



# Iterative Planning Approach



# Recap

- Interdependencies
- Inter-connections



- Where to begin?
- Who initiates?



- Iterative, adaptive approach
- Integrated impact assessment

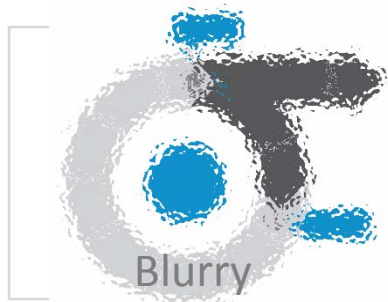


- Operational alignment
- Timely, firm Executive decisions

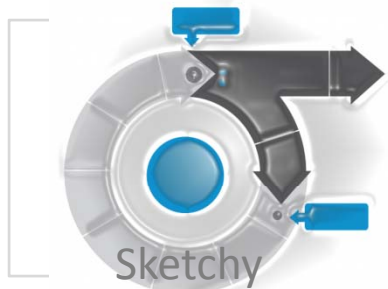
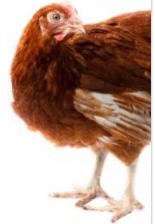


# Approach

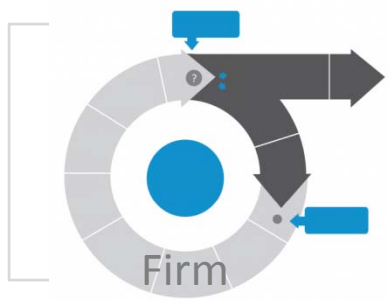
Integrated, adaptive planning



- Finance-initiated OpEx discussion



- Operational requirements
- Integrated impact assessments



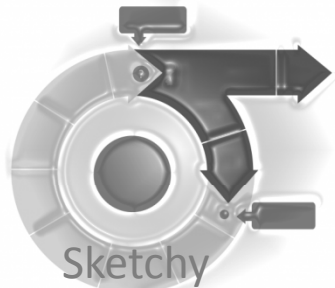
- Operationally-finalized OpEx
- Regulatory evidence

# Timing



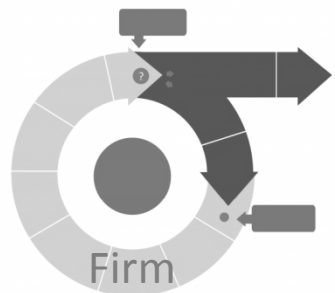
- Finance-initiated OpEx discussion

**Feb.**



- Operational requirements
- Integrated impact assessments

**Mar.10**



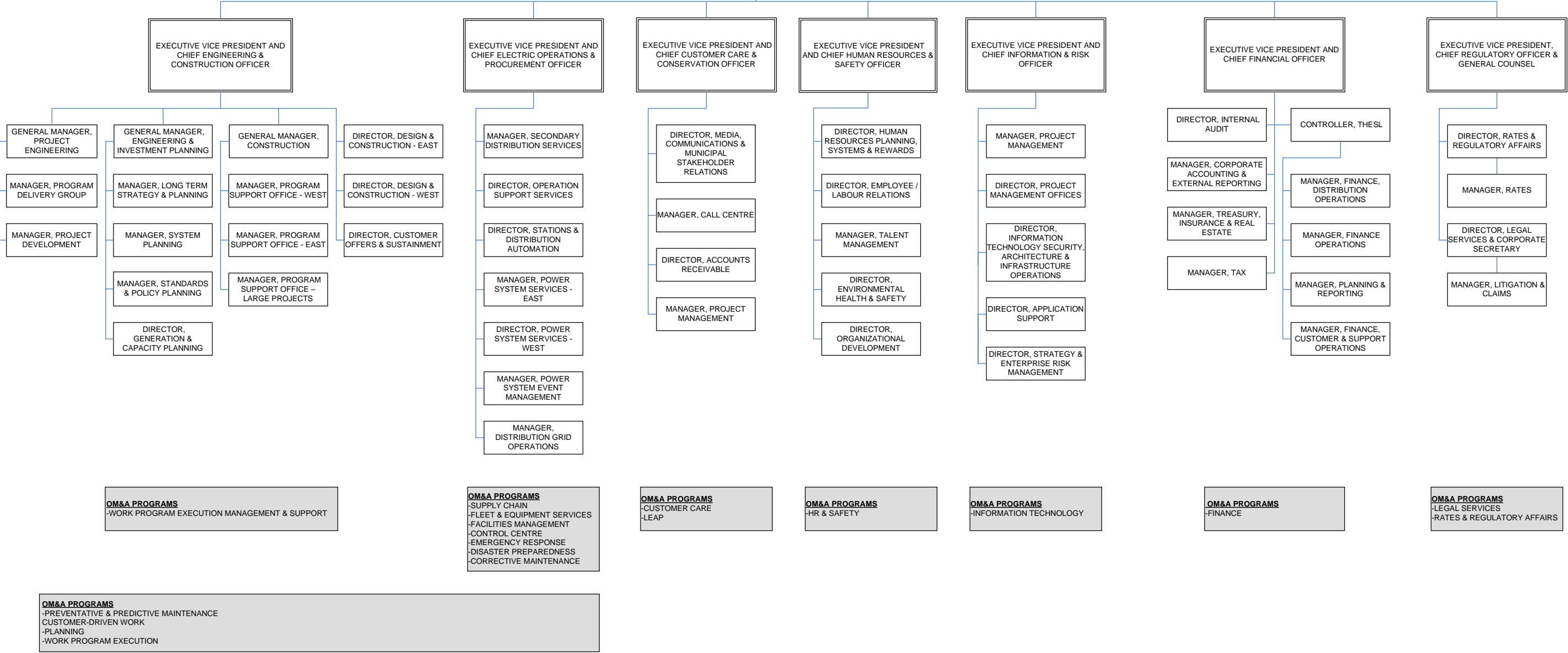
- Operationally-finalized OpEx
- Regulatory evidence

**Mar.24**



Current Organizational Chart  
Toronto Hydro

PRESIDENT & CEO



Note: Common Costs and Allocations and Recoveries not displayed, as they capture costs incurred across the utility.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 30:**

**Reference(s):**            **Exhibit 4A, Tab 1, Schedule 1**

With respect to OM&A please explain how Toronto Hydro defines; “Program” and “Segment”.

**RESPONSE:**

Toronto Hydro defines a “Program” as a general area of functionally inter-related activities, processes and reporting structures dedicated towards the achievement of a high-level outcome relevant to customers and/or the utility itself. For example, the Finance program is comprised of activities that facilitate the achievement of the utility’s financial sustainability and compliance with relevant legislation – an outcome equally relevant to both the ratepayers and the utility. Similarly, the Regulatory Affairs program facilitates, among other things, the utility’s continued reporting of, compliance with and implementation of all the relevant regulatory rules, codes, guidelines and decisions that govern various aspects of the utility’s operations.

As described in Exhibit 4A, Tab 1, Schedule 1, page 2, “Segments” are discrete activity-based areas that address different facets of a single program. For example, as stated at Exhibit 4A, Tab 2, Schedule 15, page 3, External Reporting, one of the “Segments” within the Finance program, “oversees the preparation of external financial reporting materials, such publically filed annual and interim financial statements and disclosures, in accordance with applicable accounting standards and Securities legislation.” As this example shows, segments ultimately represent activities that drive the same high-level

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

- 1 outcome as the program they make up. However, Toronto Hydro viewed the specific
- 2 activities that comprise the selected segments as sufficiently substantive to warrant
- 3 identification and provision of details to the OEB.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

1   **INTERROGATORY 31:**

2   **Reference(s):**           **Exhibit 4A, Tab 1, Schedule 1, Table 4**

3

4

5   Under Toronto Hydro's proposed plan please explain how Toronto Hydro will allocate  
6   budgets to individual departments and managers in the years 2016-2019.

7

8

9   **RESPONSE:**

10   Each year, Toronto Hydro prepares a detailed budget for the immediate year that follows  
11   the current year. During this process, amounts are allocated to individual departments  
12   according to the operational needs and requirements identified at that time. Toronto  
13   Hydro expects to continue following this process over the 2016-2019 timeframe.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 32:**

**Reference(s):**           **Exhibit 4A, Tab 1, Schedule 1, p. 4, Table 1**

This Table sets out OM&A Expenditures by Program. For each year 2011-2014 please provide Board approved amounts where applicable. Has Toronto Hydro prepared operating budgets for each of these areas for the period 2016-2019 as part of its internal business planning process? If not, why not? If so, please provide those budgeted amounts.

**RESPONSE:**

In the utility's last rebasing application (EB-2010-0142), OM&A expenditures were settled on an envelope basis, not on a program basis. Since the 2011 OEB-Approved and 2011 actual expenditures were very similar (\$238 million OEB-Approved vs. \$238.6 million actual expenditures), Toronto Hydro has provided 2011 actual OM&A expenditures by program in the OEB appendices filed at Exhibit 4A, Tab 1, Schedule 4.

For an explanation of Toronto Hydro's operating budgets for the period 2016-2019, please refer to Toronto Hydro's response to interrogatory 1A-BOMA-14 part (a).

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 33:**

**Reference(s):**           **Exhibit 4A, Tab 1, Schedule 5**

Please explain why Toronto Hydro's OM&A cost per customer and OM&A cost per FTE have increased significantly since 2011.

**RESPONSE:**

Toronto Hydro notes that a significant portion of its average OM&A increase over the 2011-2015 timeframe is driven by the 2015 Test Year amount, which includes a number of incremental expenditures associated with new or evolving operational needs and functional requirements. From 2011 to 2014, OM&A increased by an average of 1.1% per year. Accordingly, a significant portion of the average 2011-2015 increase in OM&A per customer and per FTE is associated with the incremental Test Year expenditures.

In addition, the OM&A per customer and per FTE calculations as provided in the Appendices 2JA to 2L (Exhibit 4A, Tab 1, Schedule 2) exclude the significant OM&A restructuring costs that the utility incurred in 2012. Toronto Hydro believes that the restructuring costs should be included in the calculation in the year they were incurred, but has presented the costs in the Appendices 2JA to 2L in the manner consistent with the OEB direction. When adjusted for restructuring costs, Toronto Hydro's OM&A per customer over the historical and bridge period (that is the years when the utility's base rates were adjusted in accordance with an IRM formula) has declined on average by 0.3% per year. OM&A per FTE increased due to the significant reduction in total FTEs



## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

- 1 (approximately 256 FTE) relative to 2011. Please refer to the pre-filed evidence at
- 2 Exhibit 4A, Tab 4, Schedule 3 for more information.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 34:**

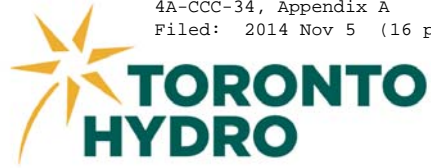
**Reference(s):**           **Exhibit 4A, Tab 2, Schedule 13, page 3**

Has Toronto Hydro done a business case analysis regarding monthly billing? If so, please provide that business case analysis. If the Board mandates monthly billing by January 1, 2016, what will be the costs and benefits for Toronto Hydro? How would Toronto Hydro propose that mandated monthly billing be implemented in the context of its five-year plan?

**RESPONSE:**

Toronto Hydro has conducted a business case analysis regarding the conversion to monthly billing. This analysis is outlined in Toronto Hydro's recent submission in response to the EB-2014-0198, Draft Report of the Board: Electricity and Natural Gas Distributor's Residential Customer Billing Practices and Performance, attached as Appendix A to this response.

In terms of the implementation strategy, Toronto Hydro would propose, if mandated, that the lowest cost transition strategy would be to combine this effort with the next planned software version upgrade of Toronto Hydro's Customer Information System, which is tentatively projected to be undertaken in the latter years of the this CIR filing period. Toronto Hydro would nevertheless anticipate that, were the OEB to proceed with mandatory monthly billing, utilities would be allowed to recover any incremental costs in a timely manner.



**Amanda Klein**

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October 9, 2014

*via RESS e-filing – signed original to follow by courier*

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

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited (“THESL”)  
Draft Report of the Board: Electricity and Natural Gas Distributors’ Residential  
Customer Billing Practices and Performance  
OEB File No. EB-2014-0198**

---

THESL writes to the Ontario Energy Board (“OEB”) in respect of the above-noted matter.

On September 18, 2014 the Ontario Energy Board (“OEB”) released a Draft Report of the Board entitled *Electricity and Natural Gas Distributors’ Residential Customer Billing Practices and Performance* (“The Draft Report”). In the Draft Report, among other issues, the OEB conveys its intent to mandate the issuance of monthly electricity bills for all residential customers in Ontario starting January 1, 2016. The key considerations cited as driving the contemplated transition are enabling customers to better manage their consumption, control costs and budget for the expenditures associated with their electricity bills. While the Draft Report acknowledges that a mandatory transition to monthly billing would likely result in incremental costs, it expresses its expectation that such costs should be largely offset by the benefits of monthly billing and related activities, including improved cash flow / working capital reductions, reduced arrears and bad debt expenditures and enhanced customer communications. Further cost efficiencies are also expected from the assumed increases in the uptake of e-billing services that provide opportunities for cost reductions in the areas of printing and delivery.

In the Report, the OEB poses two specific questions to the utilities, namely to:

- (1) List the potential barriers and anticipated benefits of the mandatory monthly billing transition as contemplated and;
- (2) Discuss the merits of a similar transition for seasonal customers.

THESL is pleased to provide its response to question (1) only, along with some general comments. The utility does not currently serve any seasonal customers, and as such takes no position on the issue of billing frequency for these consumers. THESL also notes that it is a signatory to the submission of the Coalition of Large Distributors (“CLD”), and provides this submission to supplement the CLD submission with considerations and analysis based on THESL’s specific circumstances.

### General Comments

As a matter of general comment, THESL supports the OEB’s intention to enable consumer control of their energy usage and the resulting expenses, which is consistent with the OEB’s increased Focus on Consumers, as articulated in the *Renewed Regulatory Framework for Electricity* (RRFE) Board Report and the subsequent policy statements. However, in addition to answering the OEB’s specific request for commentary, THESL has several comments on general nature in response to the discussion provided in the Draft Report.

On the issue of customer consumption management as enabled by billing frequency, THESL customers (and presumably most, if not all, residential customers in Ontario) currently have online tools at their disposal that provide them with consumption information at intervals far shorter than any billing frequency could reasonably accomplish. These tools are an important by-product of Smart Meter and Advanced Metering Infrastructure investments that the distributors already have in place. While THESL acknowledges that not all customers have access to and/or awareness of these online tools, the utility respectfully submits that the value proposition of monthly billing from the conservation perspective should consider the existence of consumption management tools that are already in place.

In a similar manner, the OEB already mandates equal payment plans that enable customers to better predict and budget for their electricity costs. In THESL’s view, this offering substantially addresses the OEB’s objective of allowing consumers to manage regular expenses by budgeting for payments on a monthly basis. This is the case for all distributors, including those with bi-monthly billing cycles, since equal payment plan customers are charged every month. As with the consumption management objectives, THESL submits that the value of a mandatory monthly billing transition as a tool to reduce the cost management/budgeting burden be assessed in the context of existing service offerings that may already accomplish the underlying objectives and require no incremental costs.

THESL also notes its concern regarding the contemplated implementation timeline of January 1, 2016, should the mandatory transition be ultimately required. Based on experience of implementing the projects of similar complexity and magnitude, and as further elaborated below, THESL believes that the contemplated timeline may introduce significant implementation risks, mandate higher implementation costs than under longer-term transition scenarios (see the alternatives discussion below), and result in

utilities being required to postpone the implementation of other important planned customer care activities in the area of customer care. It is THESL's respectful submission that these risks could be substantially mitigated if the OEB were to adopt a more gradual transition timeline, such as the 5-10 year transition window proposed by the CLD.

Finally, and consistent with the CLD response, THESL respectfully submits that should the OEB mandate a transition to monthly billing, consideration should be given to the cost consequences for distributors and the resultant impact on their financial performance. The OEB's Draft Report lists 12 distributors that are not currently planning a transition to monthly billing, with another seven in various stages of planning for such an event. It is therefore reasonable to assume that at least the utilities that are not currently planning a move to monthly billing do not have access to the incremental rates funding that would enable them to undertake such a transition, short of postponing other planned (and OEB-approved) activities, which is often impractical or contrary to good utility practice. While some of these costs could be offset by the benefits noted by the OEB, in some cases (such as with arrears and bad debt provisions) these benefits would take several years to materialize, if at all. Given these considerations, it is THESL's submission that in the event of a mandatory monthly billing transition as contemplated in the Draft Report, distributors should be permitted to seek recovery of such incremental costs in a timely manner. The OEB could consider reviewing the cost recovery claims through some form of a hybrid generic proceeding that would permit concurrent consideration of individual distributors' expenditures.

In responding to the OEB's specific question posed in the Draft Report, THESL endeavoured to quantify the anticipated costs and benefits of a transition to monthly billing based on its understanding of the areas of anticipated benefits, its current cost structures, experience in implementing customer-oriented projects of similar scale and scope, and the utility's near- and longer-term plans, as most recently articulated in its 2015-2019 Custom Incentive Regulation (CIR) application currently before the OEB (EB-2014-0116). Estimates for some of the cost categories (particularly those related to later stages in what is a complex multi-step undertaking) may be subject to material changes on the basis of the results of prior steps and/or unanticipated findings that commonly emerge in large-scale undertakings. Accordingly, THESL notes that variances between estimates and actual costs, and the utility's projections may occur.

The remainder of this submission details the major steps comprising the project of this scope, quantifies the impact of anticipated benefits, and discusses potential alternative approaches along with their cost implications. The utility acknowledges that experiences and considerations may vary materially across the sector, but nevertheless hopes that this information will be helpful to the OEB in making further determinations on the matter in question.

## THESL's Response to the OEB's Question

***For the electricity distributors that do not offer monthly billing, what are the barriers faced in meeting the Board's goal of having all residential customers moved to monthly billing by January 1, 2016? What are the offsetting benefits such as reduced costs?***

Based on THESL's analysis and as substantiated in further detail in the remainder of this document, THESL respectfully submits that a mandated transition to mandatory monthly billing for residential customers as contemplated in the Draft Report, would result in material cost increases, only partially offset by the anticipated quantifiable benefits. The degree of benefit quantification is based on the information currently available to THESL, and could, in the utility's assessment, benefit from further consultation with other sector participants and the ratepayers. Along with potential benefits, further efforts would be required to fully assess the impact of indirect costs to the utility and direct costs to customers that are not readily quantifiable based on the insights currently available to THESL.

Furthermore, THESL submits that potential implementation efficiencies could be gained by undertaking the transition work in parallel with other planned customer care-related activities, consistent with existing utility plans. The viability of this option, however, is limited by the January 1, 2016 implementation timeline provided in the Draft Report. THESL would therefore encourage the OEB to consider a phased transition approach with a 5-10 year implementation window as advanced in the CLD submission on this matter.

Finally, given the RRFE commitment to balancing the considerations of Customer Focus, Operational Effectiveness, Public Policy Responsiveness, and LDC Financial Performance, THESL would like to re-emphasize its position that utilities should be granted the opportunity to seek timely recovery of their prudently incurred costs outside of the normal re-basing proceedings, through such potential avenues as the Z-Factor hearings, Incremental/Advanced Capital Modules and/or some form of a generic proceeding, as may be deemed appropriate by the OEB.

The following information details THESL's commentary and quantification of estimated benefits and costs associated with a transition to mandatory monthly billing on a timeline contemplated in the Draft Report.

### **1.0 Anticipated Benefits**

#### *1.1 Working Capital Allowance Reductions*

As a part of its 2015-2019 CIR application pre-filed evidence (EB-2014-0116), THESL filed a Lead-Lag study performed by Navigant. The study uses a methodology of deriving a utility's working capital requirements that should be familiar to the OEB from multiple previous proceedings. Using its

methodology, Navigant calculates THESL's total Average Revenue Lag (that is, revenue-weighted number of days between the time the utility has to make payments/transfers to its payees and the time it receives the funds from its customers) to be 55.04 days. Applying this number to the calculation of expense leads and the aggregate amounts of eligible 2015 expenditures, results in the Working Capital Requirement of \$241.7 million (including HST), which represents 8% of THESL's OM&A and Cost of Power Expenditures – a significant improvement from prior years, owing in large part to the successful introduction of a new Customer Care and Billing (CC&B) system in 2011.

To estimate the impact of a transition to monthly billing THESL made the appropriate adjustments to its Revenue Lag and HST Lead components consistent with the expected impact of monthly billing frequency. The impact of these changes to the Lead-Lag components results in an estimated reduction of THESL's Working Capital Allowance by approximately \$1.9 million, or 0.28% of the applied-for 2015 Revenue Requirement.

### *1.2 Bad Debt/Arrears*

THESL echoes the CLD's submission that absent any empirical data as to the customer propensity to pay their bills, or to pay their bills on time under the monthly vs. bi-monthly regime, there is no reliable means of estimating the value of potential benefits of increased billing frequency on the distributors' arrears and default write-offs. THESL understands the OEB's assumption that it is likely the case that some customers struggle to pay their electricity bills on time due to the aggregate amounts of their bi-monthly charges, and would likely prefer to receive a smaller bill each month. However, THESL submits that an equally plausible assumption is that at least a certain portion of customers do not pay their bills within the prescribed timelines for reasons that have little to do with power affordability and budgeting issues. For these customers, a transition to monthly billing could conceivably result in doubling of the amount of late bills per year, thereby creating incremental expenditures for the distributors beyond those driven by the increased frequency of bill issuance. Given a variety of potential scenarios, THESL respectfully requests that prior to concluding this change in policy, the OEB work with utilities that have transitioned to monthly billing in recent years to evaluate the effect of changes to billing frequency on bad debt or arrears.

### *1.3 Customer Communication and Customer Convenience*

THESL has grouped these potential benefits together due to the fact that in both cases the benefits are difficult to reliably quantify in financial terms, as they involve inherently individual preferences (i.e., what is seen convenient or informative to one person is not necessarily so to another). On the other hand, the associated costs of such activities are relatively straightforward to quantify, by estimating the total costs based on an increased volume of bill inserts, newsletters etc (assuming a utility would choose to include communications materials into bills every month following a transition). As with Bad

Debt/Arrears, THESL respectfully submits that the optimal means of estimating the net value of these benefits would be through a customer engagement exercise.

#### *1.4 E-Billing Savings*

With regard to E-billing, while THESL fully supports the increased adoption of this service for a number of reasons, it notes that E-billing is an activity that involves its own cost-benefit considerations that exist outside of the billing frequency realm. Encouraging higher uptake involves marketing and IT expenditures in the near term, with significant uncertainty surrounding the ultimate uptake levels and the resulting benefits.

Moreover, in THESL's experience, E-billing adoption by customers is a gradual process, which may significantly delay the realization of the any potential benefits that could offset the costs. THESL has been offering the E-billing service since 2002, and its current subscription rate is around 10% of the customer base, which results in efficiencies that fall significantly short of offsetting the costs of mandatory transition to monthly billing as currently contemplated by the OEB. At this point, THESL possesses no information to suggest that near-term E-billing uptake can increase at the pace significantly higher than historical trends. Accordingly, THESL would encourage the caution in anticipating incremental cost offsets in the magnitude of the forecasted monthly billing costs in the near term.

### **2.0 Estimated Costs**

For the purposes of this analysis, THESL divided the estimated implementation costs into two separate categories, namely One-Time Costs (which include the operating and capital project planning, execution and completion costs), and Ongoing Costs (the incremental costs expected to be incurred for the duration of the project). To provide additional context for its estimates, THESL also outlines the specific circumstances and drivers that in its assessment necessitate these expenditures. The cost estimates themselves were derived on the basis of the utility's experience in implementing large customer care-related projects (e.g. the recently completed Customer Care and Billing system (CC&B) transition), the state of its existing hardware and software, and other ongoing or planned projects in the area of customer care.

#### *2.1 One-Time Costs*

To assess the cost impact of one-time transition to monthly billing in the timeline approaching that contemplated by the OEB, THESL developed a preliminary project scope that for the purposes of this analysis is referred to as Base Case. The Base Case is premised on balancing objectives of respecting the OEB's timelines, and observing good utility practice and sound project management. The Base Case project scenario consists of five main steps, ranging in completion timelines between four and 16 months. The steps are:



1. Rectifying known billing system challenges
2. Update configuration, schedules and move customers to monthly cycles
3. Volume test to identify bottlenecks in system performance and operational processes
4. Rectify issues found through volume testing
5. Validate that bill accuracy and timeliness remained unaffected past the transition.

Each step plays a distinct role in facilitating the transition by undertaking the necessary modifications and/or testing of software, hardware and business processes that support monthly billing. Of critical importance are the volume testing activities (Steps 4-5), the associated rectification and subsequent re-testing to ensure that the amended processes and infrastructure do not result in errors that can have a major impact on the utility's service quality, customer satisfaction performance and costs of rectifying any unanticipated issues post-transition.

The one-time costs incurred during the project consist of capital (Capitalized IT Labour, IT Hardware) and OM&A expenditures (general labour). The table below provides a summary of the range of potential costs, based on a "Favourable" and a "Conservative" scenario:

#### **Estimated One-Time Costs**

<b>Scenario</b>	<b>Business Labour</b>	<b>IT Labour</b>	<b>Hardware</b>	<b>Total (\$M)*</b>
<b>Favourable</b>	\$2.2	\$1.6	\$1.4	<b>\$5.2</b>
<b>Conservative</b>	\$4.0	\$3.0	\$1.4	<b>\$8.3</b>

*\* numbers may not add up due to rounding*

THESL has also evaluated three alternative implementation approaches to the Base Case that vary according to their respective scopes, underlying drivers and associated risks:

#### **Alternative 1:**

Merge implementation with suitable major customer care projects planned for in the medium-term.

**Pro:** Lower costs (40%-50% of the Base Case) and work effort due to shared analysis and testing effort.

**Con:** Project timing/scheduling significantly outside of the OEB timeline (CC&B upgrade planned for 2018).

#### **Alternative 2:**

Full redesign of THESL's customer care business processes related to billing accuracy to optimize the system performance, enhance accuracy and efficiency, and manage the recurring costs.

**Pro:** Greatest customer and operational productivity and accuracy benefits, potential reductions to the ongoing costs.

**Con:** Greatest upfront cost (200%-225% of the Base Case) and time to deliver.

**Alternative 3:**

Make the transition as quickly as possible and address the system/process issues as they arise. Only critical known challenges would be addressed prior to the transition, with other enhancements being made based on production results, as issues occur.

**Pro:** Potential ability to meet proposed Jan 1, 2016 date in the shortest timeline and potentially lowest up-front cost.

**Con:** Unacceptably high risk, inability to understand impact to bill accuracy or timeliness, unknown operational impact and effort to resolve once problems occur. Significant potential for occurrence of high-impact events that affect billing accuracy, customer satisfaction, regulatory compliance and costs.

While THESL believes that there are alternatives to the Base Case that could result in lower one-time costs, higher quality of the resultant system configuration and processes and potential efficiencies for the ongoing costs. However, in THESL assessment these options have significant deficiencies in light of the OEB-contemplated implementation timing, compatibility with the utility's plans regarding the timing of other customer care projects, or unacceptably high implementation risks under a streamlined scenario.

**For additional information on the scope, costing and discussion of the Base Case and alternative scenarios of one-time implementation, please see Appendix A to this submission.**

*2.2 Recurring Costs*

Beyond the one-time implementation costs, the introduction of mandatory monthly billing for all residential customers would bring about a number of incremental costs, associated with doubling of the volume of expenditures normally associated with bill issuance, delivery, payment processing, collection and related activities.

The following table details these incremental expenditures, using the data based on current costs, THESL's experience in implementing similar initiatives and estimates based on THESL's understanding of the nature and magnitude of the incremental process changes.

### Estimated Recurring Cost of Monthly Billing (\$M)

Cost Category	Incremental Cost
Postage	\$2.6
Paper	\$0.1
Envelope	\$0.2
Printing	\$0.2
Incremental Billing Enquiries (Call Centre)	\$0.7
Meter Data Management, manual reads and Verification/Edits	\$0.9
Clerical Billing tasks	\$0.5
Payment Processing	\$0.5
Collections Activities	\$0.2
Corporate Communications	\$0.2
<b>TOTAL</b>	<b>\$6.1</b>

*\* numbers may not add up due to rounding*

The estimates presented above reflect reasonable assumptions, including incremental staffing using partially outsourced labour, and lower incremental call volumes per bill issued than what is currently the case, among others. As noted above, THESL prepared these estimates on the basis of its experience with implementing customer care initiatives of large magnitude, the state of its current processes associated with data collection, bill issuance and payment processing, customer contact behaviour, current cost structures and contractual arrangements, and other similar information. Given the information available to support certain assumptions, the forecasted costs, once realized, could vary by up to 20%.

In calculating the incremental costs, THESL took a conservative approach and assumed certain tasks would not simply double in volume. Should the OEB elect to conduct further stakeholdering on this issue, as suggested by THESL in this submission, the utility would welcome the opportunities to work with other distributors that have completed transitions to monthly billing in recent years to confirm these assumptions based on these distributors' experience.

THESL further notes that the above calculations include only the direct costs, specifically attributable to the transition project as proposed in the Draft Report. To obtain the full estimate of costs, further assumptions need to be made for other costs, including lost staff productivity throughout and for at least 6 months following the transition project, the impact (financial, operational and reputational), associated with postponement of other planned projects to divert resources to billing transition, incremental

management oversight time, marketing resources to communicate the changes, and other potential cost drivers.

### 3.0 Impact to THESL Customers

Based on the benefit and cost projections discussed above, THESL's analysis results in the following conclusions:

#### Total Estimated Costs and Benefits of Transition to Monthly Billing (\$M)

Category	OM&A*	Capital*
Benefits (Quantifiable)	\$1.9	
Costs (One-Time)**	\$2.2	\$3.0
Costs (Sustained)	\$6.1	
<b>Net Cost (Costs – Benefits)</b>	<b>\$6.4</b>	<b>\$3.0</b>

*\* Table showcases "Favourable" scenario estimates as described above.*

The resultant figures allow THESL to derive a high-level revenue requirement impact estimate of the contemplated undertaking. Assuming full eligibility of the forecasted costs, normal treatment of capital costs, THESL's applied-for 2015 WACC of 6.19%, recovery of one-time OM&A costs in a single year, and THESL's proposed 2015 CIR Service Revenue Requirement, the *net* rate impact (costs less quantifiable benefits) on THESL's 2015 proposed revenue requirement in year 1 would be 1.15%, reducing to 0.82% in the subsequent years once the one-time OM&A costs have been recovered. Given that the contemplated transition would only affect residential customers, THESL infers that the vast majority (if not the entirety) of the incremental costs would be allocated to the residential rate class only, resulting in a customer rate increases that are higher than the provided revenue requirement impact. In THESL's assessment, the business case of undertaking the transition to monthly billing as contemplated in the Draft Report timelines is negative.

Beyond the costs incurred as a result of distributor activities to enable and oversee the administration of monthly billing, THESL submits that the total cost estimate should include the direct costs to customers associated with more frequent payment of bills. These costs would include additional postage costs (which have recently increased) for customers paying their bills by mail, or transaction charges applied by banks for those using other payment options.

THESL acknowledges that its cost analysis could be further enhanced by additional information provided by other parties that may be in a better position to quantify the impact of some of the benefits listed by the OEB.

Subject to other distributors submitting such, or other potential information sources at the OEB's disposal, THESL would encourage the OEB to undertake further stakeholdering, working groups, and/or other similar activities with the aim of further quantifying the costs and benefits of the proposed transition.

All of which is respectfully submitted.

Please do not hesitate to contact me if you have any questions.

Yours truly,

*[original signed by]*

**Amanda Klein**

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:AK\DB\acc

## APPENDIX A

### Additional Information on One-Time Cost Analysis.

#### *Base Case*

In order to efficiently transition to monthly billing within the timelines approaching those currently contemplated by the OEB's Draft Report, THESL would approach the monthly billing transition project in five main steps:

	<b>Key Step Objectives</b>	<b>Estimated Duration</b>
1)	Rectify known billing system challenges	6 months
2)	Update configuration, schedules and move customers to monthly cycles	6 months
3)	Volume test to identify bottlenecks in system performance and operational processes	16 months
4)	Rectify issues found through volume testing	
5)	Validate bill accuracy and timeliness remained unaffected past the transition	4 months

For the purposes of this analysis, this approach is referred to as the Base Case. The Base case approach is optimal for the purposes of the contemplated transition, since its scope only includes the enhancements that are directly related to and required by the transition to monthly billing. While other potential approaches could result in lower implementation costs (see the "Alternatives" subsection below) they are not included in the Base Case as they would not be feasible under the timeline currently contemplated by the OEB.

#### **Step 1: Rectify known challenges with monthly billing**

In the normal course of business THESL has identified a number of system/process issues that are expected to require intervention should the utility transition to monthly billing for all of its residential customers. These challenges fall into two categories:

- a) Time-Related: system/process issues efficiently resolved in time to maintain timely bi-monthly billing, but require permanent solutions to comply with a shorter 30-day billing cycle
- b) Volume-Related: issues involving manual processes and workarounds, which are feasible and cost effective at current volumes (20,000 bills issued per day), but could not be sustained under a monthly billing cycle, requiring process automation.

## **Step 2: Update configuration, schedules and move customers to monthly billing cycles**

Once the known issues arising from shorter billing cycles have been addressed, the project would focus on the customer information system changes required to implement monthly billing. Given that THESL's core CC&B system is relatively new and has functionality to bill customers every month, the switch would be relatively simple from a system configuration perspective. However, a number of supporting processes would have to be re-designed to enable the doubling of daily workflow for the utility's staff, supporting systems and external vendors.

## **Step 3: Volume test to identify bottlenecks in system performance and operational processes**

In this step, THESL would prepare the necessary data and setup to execute a sustained full-scale volume test. The outputs of this test will be two lists of issues that require resolution. The first list would identify system performance limitations; either hardware related or where poor quality code results in inefficient use of hardware resources. The second list would highlight the operational processes that cannot be sustained with the increased volumes and shorter timelines associated with monthly billing.

## **Step 4: Rectify issues found during volume testing**

The list of hardware and code issues identified in Step 3 are generally not expected to require long lead times to resolve. However rectifying these issues typically involves implementing expensive hardware resources, which comprise a significant portion of the capital hardware costs provided below.

While data flows are fundamentally unchanged under the monthly billing cycle, the operational processes that cannot be sustained present a more complex challenge. Each process, and the associated management controls, would require in-depth assessments and alternative solution evaluations. Solutions may include system modifications, process changes and/or the acquisition of additional resources to perform the process; each with different timelines, capital investment requirements, ongoing operational cost, training and change management trade-offs.

To ensure process efficiency and integrity, THESL would repeat Steps 3 and 4 multiple times to assess the "flow on" effects of higher volumes and test the resolution of earlier performance bottlenecks.

## **Step 5: Validate bill accuracy and timeliness remained unaffected by the transition**

The execution of steps 1 through 4 would bring about a number of new isolated activities/process steps, each with potential to affect the accuracy of the issued bills. Given the significance of potential impact on billing accuracy, customer satisfaction and utility costs to rectify any unanticipated issues post-transition, this step is crucial from the regulatory compliance, customer relationship and operational effectiveness perspectives.

The following information quantifies the costs associated with the five-step Base Case approach presented above.

### One-Time Cost Estimates

#### *Base Case: Favourable Scenario (\$M)*

Step	Business Labour Estimate	IT Labour Estimate	Hardware Estimate	Total Step Estimate
1) Rectify known challenges with monthly billing	\$0.1	\$0.1		\$0.2
2) Update configuration, billing schedules and move customers to monthly billing cycles	\$0.1	\$0.1		\$0.2
3-4) Identify/rectify performance issues (2 iterations)	\$1.0	\$0.9	\$1.3*	\$3.2
Resourcing	\$0.1	\$0.01		\$0.1
5) Validate bill accuracy and timeliness	\$0.1	\$0.3		\$0.9
Deployment	\$0.1	\$0.1		\$0.2
Contingency (10%)	\$0.2	\$0.1	\$0.1	\$0.5
<b>Totals</b>	<b>\$2.2</b>	<b>\$1.6</b>	<b>\$1.4</b>	<b>\$5.2</b>

\* includes hardware, operating system and Oracle database licenses, system memory and additional storage.

\*\* numbers may not add due to rounding

#### *Base Case: Conservative Scenario(\$M)*

Step	Business Labour Estimate	IT Labour Estimate	Hardware Estimate	Total Step Estimate
1) Rectify known challenges with monthly billing	\$0.1	\$0.1		\$0.2
2) Update configuration, billing schedules and move customers to monthly billing cycles	\$0.1	\$0.1		\$0.2
3-4) Identify/rectify performance issues (2 iterations)	\$2.5	\$2.2	\$1.3*	\$6.0
Resourcing	\$0.1	\$0.01		\$0.1
5) Validate bill accuracy and timeliness	\$0.6	\$0.3		\$0.9
Deployment	\$0.1	\$0.1		\$0.2
Contingency (10%)	\$0.4	\$0.3	\$0.1	\$0.8
<b>Totals</b>	<b>\$4.0</b>	<b>\$3.0</b>	<b>\$1.4</b>	<b>\$8.3</b>

\* includes hardware, operating system and Oracle database licenses, system memory and additional storage.

\*\* numbers may not add due to rounding



As showcased in the above tables, THESL estimates that the one-time costs associated with a transition to monthly billing under the timelines that attempt to approach those currently contemplated by the OEB would result in the incremental costs in the range of \$5.2-\$8.3 million, of which between \$3.0-\$4.4 million would be capital costs,<sup>1</sup> with the remainder (\$2.2-\$3.9 million) representing one-time OM&A expenditures. Prior to quantifying the anticipated ongoing project costs, the following section addresses other potential implementation alternatives that may have impact on the one-time costs.

### *Other Evaluated Alternatives*

#### **(a) Merge with Other Planned Projects**

THESL's 2015-2109 CIR filing includes four major projects with significant impacts to the billing process, namely:

- The Meter Data Management/Repository (MDM/R) integration with the provincial MDMR for residential customers;
- Upgrade of the meter data collection and validation system for large and medium Commercial and Industrial customers (MV90);
- Upgrade of meter data collection/validation/editing system e for residential and small Commercial and Industrial customers (ODS) and;
- Scheduled upgrade to the Customer Care and Billing (CC&B) system (affects all customers).

Of the above-noted initiatives, the contemplated transition to monthly billing aligns with the CC&B upgrade. Based on its current plans and system needs, THESL does not anticipate commencing this upgrade until 2018 – significantly past the OEB's contemplated timeline .

**Pro:** Lower overall one-time costs and work effort due to shared analysis and testing effort.

**Con:** Scheduling of project does not align with the proposed Jan 1, 2016 date.

**Cost (vs. Base Case):** 40-50% of the Base Case.

---

<sup>1</sup> Assuming full capitalization of IT Labour and Hardware.

## **(b) Full Redesign**

This potential approach would involve the ground-up redesign of THESL's customer care business processes affected by billing frequency. Unlike the Base Case Scenario which merely *modifies* the existing processes built for bi-monthly billing to fit the requirements of monthly billing, the Full Redesign option would *gradually rebuild* the business processes for optimal performance. This option would also likely have a positive impact on the ongoing costs discussed below.

**Pro:** Greatest customer and operational productivity and accuracy benefits, potential reductions to the ongoing costs.

**Con:** Greatest upfront cost and time to deliver.

**Cost (vs. Base Case):** 200%-225% of the Base Case due to larger scope.

## **(c) Go-live and Address on Demand**

This approach is premised on making the transition as quickly as possible and addressing the system/process issues as they arise. Only critical known challenges would be addressed prior to the transition and other enhancements would be made based on production results.

**Pro:** Potential ability to meet proposed Jan 1, 2016 date in the shortest timeline and lowest up-front cost

**Con:** Unacceptably high risk, inability to understand impact to bill accuracy or timeliness, unknown operational impact and effort to resolve once problems occur. Significant potential for occurrence of high-impact events that affect billing accuracy, customer satisfaction, regulatory compliance and utility costs.

**Cost (vs. Base Case):** Not estimated due to unknown scope and nature of subsequent issues.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 35:**

**Reference(s):**           **Exhibit 4A, Tab 2, Schedule 13, page 2**

Please provide detailed budgets for each of the Customer Care “segments” for each year 2011-2015. Please provide the Board approved amounts for 2011.

**RESPONSE:**

Since OM&A was settled on an envelope basis in the last rebasing application (EB-2010-0142), the OEB did not approve detailed budgets for the 2011 test year. Therefore, Toronto Hydro cannot provide the requested OEB-Approved numbers for each Customer Care segment. Toronto Hydro notes that on a total basis, the OEB-Approved and the 2011 actual expenditures only differed by \$0.6 million (*\$238 million OEB-Approved vs. \$238.6 million actual expenditures*), so actual 2011 expenditures can be used as a proxy for OEB Approved amounts for that particular year.

The table below provides the 2011-2013 actuals, 2014 year end forecast, and 2015 year forecast for each Customer Care segment.

## RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

<b>Customer Care Program (\$millions)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Billing, Remittance &amp; Meter Data Management (Segment)</b>					
Internal Labour	6.8	5.9	7.5	8.1	8.4
External Services	3.9	3.4	3.5	3.9	4.9
Materials	0.0	0.0	(0.0)	0.1	0.1
Other	3.7	4.4	3.6	4.3	5.3
<b>Total Billing, Remittance &amp; Meter Data Management (Segment)</b>	<b>14.5</b>	<b>13.7</b>	<b>14.6</b>	<b>16.4</b>	<b>18.7</b>
<b>Collections (Segment)</b>					
Internal Labour	1.9	1.1	1.2	2.8	3.1
External Services	1.5	1.8	2.7	2.5	2.5
Materials	0.0	0.0	0.0	0.0	0.0
Other	8.9	6.0	7.1	6.9	7.4
<b>Total Total Billing, Remittance &amp; Meter Data Management (Segment)</b>	<b>12.3</b>	<b>8.9</b>	<b>11.1</b>	<b>12.2</b>	<b>13.1</b>
<b>Communications &amp; Public Affairs (Segment)</b>					
Internal Labour	1.9	2.2	3.0	1.9	1.7
External Services	0.8	0.9	0.8	0.9	0.9
Materials	0.0	0.0	0.1	0.2	0.2
Other	0.3	0.1	0.1	0.1	0.1
<b>Total Communications &amp; Public Affairs (Segment)</b>	<b>3.0</b>	<b>3.3</b>	<b>4.0</b>	<b>3.1</b>	<b>3.0</b>
<b>Customer Relationship Management (Segment)</b>					
Internal Labour	7.7	5.9	5.3	5.3	5.5
External Services	4.2	5.3	4.6	4.9	5.6
Materials	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.3	0.1	0.2	0.2
<b>Total Customer Relationship Management (Segment)</b>	<b>12.1</b>	<b>11.5</b>	<b>10.1</b>	<b>10.4</b>	<b>11.3</b>
<b>Total Customer Care Program</b>	<b>41.9</b>	<b>37.5</b>	<b>39.7</b>	<b>42.2</b>	<b>46.1</b>

- 1 The "Other" category within the Billing, Remittance & Meter Data Management segment
- 2 is made up of postage and printing costs for customer invoices and the bad debt expense
- 3 related to non-electricity billings.
- 4
- 5 The "Other" category within the Collections segment contains bad debt expenses related
- 6 to electricity customer billings.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

1   **INTERROGATORY 36:**

2   **Reference(s):**           **Exhibit 4A, Tab 2, Schedule 15, p. 3**

3

4

5   The Controllershship budget is increasing significantly from 2011 to 2015. Please provide  
6   a detailed explanation for this increase.

7

8

9   **RESPONSE:**

10   Please refer to Exhibit 4A, Tab 2, Schedule 15, pages 7-10 for a detailed explanation for  
11   the increase in the Controllershship budget from 2011 to 2015.

## RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

1 **INTERROGATORY 37:**

2 **Reference(s):** Exhibit 4A, Tab 2, Schedule 16, page 11

3

4

5 With respect to the IT Operations Segment please provide a detailed budget for Software  
6 and Service Management for the years 2011-2015.

7

8

9 **RESPONSE:**

10 Please see the table below.

<b>Software &amp; Service Management (\$Millions)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Internal Labour	5.0	5.1	5.8	6.8	7.1
External Services	7.0	7.5	8.5	8.8	9.3
Materials	0.4	0.4	0.4	0.4	0.4
Other	0.5	0.3	0.2	0.4	0.4
<b>Total Software &amp; Service Management</b>	<b>12.9</b>	<b>13.2</b>	<b>14.9</b>	<b>16.4</b>	<b>17.2</b>

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 38:**

**Reference(s):** Exhibit 4A, Tab 2, Schedule 17, Appendix 2-M

Appendix 2-M sets out Regulatory Costs for both the Custom IR Application and the Wireless Proceeding (EB-2013-0234). Please provide the following for the Historical years, 2014 Bridge Year and 2015:

- a) A detailed breakdown of the legal costs and consulting costs, including hours and hourly rates for the Wireless Proceeding;
- b) A detailed breakdown of the legal costs and consulting costs, including hours and hourly rates for the CIR proceeding.

**RESPONSE:**

- a) The total costs for the Wireless Forbearance Proceeding that Toronto Hydro seeks to recover are summarized in the table below:

<b>Wireless Forbearance Proceeding</b>	<b>Historical Year(s)</b>	<b>2014 Bridge Year</b>
Legal costs	\$549,101	\$ 331,016
Consulting costs	\$353,120	\$316,985
Intervenor costs	n/a	\$322,360
Total Costs	\$902,221	\$970,361

The requested breakdown relates to costs which are below the utility's materiality threshold of \$1 million, as set out in Chapter 2 of the OEB's Filing Requirements.

Therefore, Toronto Hydro objects to providing the requested further breakdown, on

## RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES

1 the basis of the principle of materiality, as articulated by the OEB in Procedural Order  
2 No. 1:<sup>1</sup>

3 Parties are reminded not to engage in detailed exploration of items that do not  
4 appear to be material. The materiality thresholds documented in Chapter 2 of the  
5 Filing Requirements should be used to guide the parties. In making its decision  
6 on cost awards, the Board will consider whether intervenors made reasonable  
7 efforts to ensure that their participation in the hearing was focused on material  
8 issue.

9  
10 b) The total costs for the CIR Application that Toronto Hydro seeks to recover are  
11 summarized in the table below:

CIR Application	Historical Year(s)	2014 Bridge Year	2015 Test Year
Legal costs	\$51,226	\$960,877	\$1,726,047
Consulting costs	\$373,030	\$1,392,829	\$817,319
Intervenor costs	n/a	n/a	\$650,000
<b>Total Costs</b>	<b>\$424,256</b>	<b>\$2,353,706</b>	<b>\$3,193,366</b>

12 See Toronto Hydro's response to interrogatory 1A-CCC-3 regarding consulting costs  
13 for third party reports filed as part of this Application. Toronto Hydro declines, on  
14 the basis of relevance and materiality, to provide a further breakdown of the legal and  
15 consulting costs, including hours and hourly rates.

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<sup>1</sup> EB-2014-0116, Procedural Order No. 1 (September 17, 2014), at page 3.



## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

1 **INTERROGATORY 39:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 17, page 19**

3

4

5 Toronto Hydro is seeking recovery in this Application for the costs related to the  
6 Wireless Proceeding (EB-2013-0234). Does Toronto Hydro have a deferral account in  
7 place where which it has been recording these costs? If not, on what basis can it include  
8 these historical costs in 2015 rates?

9

10

11 **RESPONSE:**

12 Toronto Hydro does not have a deferral account in place for the costs related to the  
13 Wireless Proceeding (EB-2013-0234). For an explanation of the basis for recovery of the  
14 costs, please refer to Toronto Hydro's response to interrogatory 4A-SEC-44 part (c).

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

1 **INTERROGATORY 40:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 3, p 10**

3

4

5 “Toronto Hydro was able to safely execute the ICM plan using the funding available to it  
6 in that period. The utility accomplished this through various means, including the  
7 efficient planning and hiring decisions, as well as the prudent use of external resources.”

8

9 a) Please detail the number of external resources that were hired annually and the  
10 number of Toronto Hydro regular staff that worked on capital projects during the  
11 ICM period of 2012-2014.

12

13

14 **RESPONSE:**

15 During the 2012-2014 period, approximately 350 external organizations or contractors  
16 contributed to or supported the execution of Toronto Hydro’s capital projects. For the  
17 same period, approximately 1,175 internal resources (i.e., headcount) worked on capital  
18 projects.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 41:**

**Reference(s):**        **Exhibit 4A, Tab 4, Schedule 3, p.11**

“To limit the rate increases for the upcoming rate period, Toronto Hydro proposes to continue to replace employees as they retire on a “just in time” basis. This is not the optimal approach to workforce renewal, given the time that is required to safely and effectively train new workforce entrants to work on Toronto Hydro’s distribution system. It was adopted, however, to constrain costs over the 2015 to 2019 period. As a long-term strategy, this approach is not preferred because it may compromise Toronto Hydro’s ability to satisfy its commitments.”

a) If Toronto Hydro limits hiring regular staff now, explain why this approach will not affect rate increases in the future?

**RESPONSE:**

One of the pillars of Toronto Hydro’s staffing strategy is to continue to invest in hiring new entrants and facilitating apprenticeships, co-op programs and in-house training. Pursuing these investments over the 2015 to 2019 period allows Toronto Hydro to account for the time it takes to train new employees and to transfer corporate and technical knowledge to them from senior employees. Based on Toronto Hydro’s current assessment of functional requirements, customer needs, labour market conditions, and organizational effectiveness, these investments are expected to enable the utility to maintain an adequate number of resources over the rate period and into the future, thus limiting rate increases.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

**INTERROGATORY 42:**

**Reference(s):**        **Exhibit 4A, Tab 4, Schedule 3, page 21**

“Outsourcing Toronto Hydro’s workforce requirements to third-party service providers is another option employed by the utility. In many cases, third-party service-providers enable the utility to cost-effectively resource peak demands, maintain flexibility in operations, and gain access to specialized expertise.”

a) The evidence continually emphasizes the need to have qualified, trained staff to undertake the capital work projects. How will Toronto Hydro ensure the safe and effective completion of the ongoing work program with this approach?

**RESPONSE:**

Toronto Hydro undertakes a variety of steps and measures, as appropriate in the circumstances, to ensure the safe and effective completion of the work program by third party service providers (“contractors”). As an example:

- Contractors undergo a comprehensive third party pre-qualification process which allows Toronto Hydro to assess relevant factors, such as the contractor’s safety performance, compliance with occupational safety legislation, qualifications, and insurance coverage.
- Some contractors receive a thorough orientation about Toronto Hydro’s plant, prior to conducting work on the distribution system. This enables contractors to recognize and become familiar with unique and challenging aspects of Toronto Hydro’s system.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

- 1       • For the work executed by design and construction contractors, Toronto Hydro  
2       engages a third party audit service to perform activities such as: daily site  
3       audits during construction to verify that Toronto Hydro standards and  
4       specifications are being adhered to; progress billing during construction for  
5       verification of material and work units; and final walk downs of construction  
6       projects with the design and construction contractors to ensure all  
7       requirements have been met.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

1 **INTERROGATORY 43:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 4, pp 1-30**

3

4

5 What specific new information has this Conference Board of Canada report provided in  
6 regard to Toronto Hydro's rate filing?

7

8

9 **RESPONSE:**

10 The Conference Board of Canada report provides an objective third-party perspective on  
11 labour market trends in the electricity industry, particularly with respect to aging  
12 workforce, and the tightening of the labour market due to industry growth and expansion.  
13 The report provides an assessment of Toronto Hydro's human resources plans and  
14 strategies against broader Canadian trends in critical areas such strategic workforce  
15 staffing, talent attraction and training and development. Through this assessment, the  
16 Conference Board of Canada report validates a number of key aspects of Toronto  
17 Hydro's proposed staffing strategy, including that: 1) to prepare for upcoming  
18 retirements Toronto Hydro must invest in hiring, training and development of staff in  
19 skilled technical and trades roles; and 2) a multi-pronged staffing model, which  
20 incorporates strategies such as contracting or outsourcing, is a prudent method of  
21 responding to the human resources challenges that Toronto Hydro faces over the 2015 to  
22 2019 period.

## **RESPONSES TO CONSUMERS COUNCIL OF CANADA INTERROGATORIES**

1 **INTERROGATORY 44:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 6, pp. 1-21**

3

4

5 In most instances, and against all comparator groups, Toronto Hydro pay sits within what  
6 we would consider a market competitive range of +/-15% of the relevant mid-market  
7 data.

8

9 a) Please provide other research where this band is considered “market competitive”.

10

11

12 **RESPONSE (PREPARED BY TOWERS WATSON):**

13 a) The competitive range of +/-15% recognizes that target pay levels can be influenced  
14 by a range of individual factors (e.g., tenure, skills and experience level, etc.), and has  
15 been developed based on Tower Watson’s detailed analysis of variability in external  
16 market pay rates, as reported by participants of Tower Watson’s proprietary  
17 compensation surveys.

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1 **INTERROGATORY 39:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 1**

3 **Exhibit 2B, Section D, Appendix A**

4

5

6 **Preamble:**

7 On page 17 of the first reference 3 phase gang operated switches are noted in lines 2-3

8 are noted as “not capable of remote operation”. On page 8 of the second reference 3

9 Overhead Remote switches are mentioned.

10

11 a) Are these Overhead switches part of the gang operated category of switches?

12 b) Is the term “Remote” meant to indicate that the switch can be operated from the  
13 control room?

14 c) If yes, please explain the statement in Reference 1 that such gang operated switches  
15 are not remotely operable.

16 d) If no, please explain what the term Remote is intended to convey

17

18

19 **RESPONSE:**

20 a) Yes, overhead switches mentioned in the second reference are part of the gang-  
21 operated category of switches mentioned in the first reference.

22

23 The term “gang-operated” generally refers to load break switches that are designed to  
24 open and close all three electrical phases of a feeder simultaneously. Toronto

25 Hydro’s gang-operated switches may be:



## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

- 1        1) Manual: the actuation mechanism is manual, and is operated through a handle at  
2            the switch location. As such, it is not capable of being operated from the control  
3            room.
- 4        2) Motorized: the actuation mechanism is motorized, and is operated via a control  
5            mechanism at the switch location and is also not capable of being operated from  
6            the control room.
- 7        3) SCADA Controlled: the actuation mechanism is motorized, and can be operated  
8            via the control mechanism at the switch location, and remotely from the Control  
9            Room via the SCADA system.
- 10
- 11      b) Yes, the term Remote is meant to indicate that the switch can be operated from the  
12            Control Room. However, the switches in question (Overhead Remote switches as  
13            described in Exhibit 2B, Section D, Appendix A, page 8) are not capable of remote  
14            operation and therefore should not have been labelled "Remote."
- 15
- 16      c) Please refer to the response in part b.
- 17
- 18      d) Not applicable.

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

### **INTERROGATORY 40:**

**Reference(s):**            **Exhibit 4A, Tab 2, Schedule 1**

#### **Preamble:**

Page 28 of the exhibit states that trees surrounding feeders are pruned “once every two to five years, with the system average being approximately three years”.

- a) Is the term “surrounding” meant to be taken literally? i.e., Are only the lines that actually run directly through the tree canopy trimmed on average every three years or is 3 years the average trimming cycle that THESL experiences for its lines?
- b) If the latter, has THESL compared its vegetation management practices with other distributors to determine if its trimming cycle can be lengthened? If yes, what differences did it identify that contribute to the more frequent trimming cycle in THESL.
- c) On page 32, reference is made to the expected loss of approximately 860,000 Ash trees to the emerald ash borer. Has THESL investigated the merits of asking the City to replant with species more compatible to overhead lines i.e., those that do not grow quickly and do not reach a height that can interfere with power lines?

#### **RESPONSE:**

- a) The term “surrounding” is not only meant for the lines that actually run directly through the tree canopy, but also includes the trees that are immediately adjacent or exceed minimum clearance distances to overhead primary feeders, as specified in Toronto Hydro Standards. Currently, trees are trimmed every two to five years (with

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1 an overall system average of approximately three years) to ensure the safety and  
2 reliability of the distribution system.

3

4 b) Toronto Hydro does review and compare its vegetation management approaches and  
5 practices to the approaches and practices of other distributors and other forestry  
6 operations (e.g., transmitters, municipalities, and utility contractors). One avenue for  
7 doing so is Toronto Hydro's participation with CEATI International's Distribution  
8 Assets Life Cycle Management (DALCM) Interest Group and T&D Vegetation  
9 Management Task Force (VMTF). Information obtained through such avenues is one  
10 set of inputs that is used to assess whether the frequency of tree trimming activities at  
11 Toronto Hydro should be increased or decreased. Currently the average cycle is  
12 generally comparable to those of other utilities. However, this information is not a  
13 primary driver for Toronto Hydro planning decisions. Primary drivers are reliability,  
14 safety, and financial considerations as discussed in Exhibit 4A, Tab 2, Schedule 1.

15

16 In terms of comparing Toronto Hydro's trimming cycle to the cycles of other utilities,  
17 a noteworthy difference is that Toronto Hydro utilizes a risk-based approach for  
18 scheduling trimming that considers various factors including reliability while other  
19 utilities use a fixed cycle. Toronto Hydro's approach results in some feeders (in areas  
20 of dense tree canopy and higher tree contact incidents) being trimmed every two  
21 years, while other feeders (in areas of lower density tree canopy and fewer incidents)  
22 being trimmed every five years. This is considered a best practice in the industry.

23

24 c) Toronto Hydro is currently in discussions with the City of Toronto regarding a tree  
25 planting standard that has been developed by the utility which identifies guidelines

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

- 1 and dimensions for the planting of trees in proximity to the primary distribution
- 2 system.

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

### **INTERROGATORY 41:**

**Reference(s):**            **Exhibit 4A, Tab 2, Schedule 1**

#### **Preamble:**

At various pages of the Exhibit reference is made to oil testing of equipment to comply with PCB Regulations.

- a) What are THESL's obligations under the regulations to identify and eliminate PCB contaminated equipment from its system?
- b) What are the estimated costs and timelines to accomplish that objective?

#### **RESPONSE:**

- a) Toronto Hydro is obligated to comply with the requirements contained in the *PCB Regulations*, SOR/2008-273 under the *Canadian Environmental Protection Act, 1999* (S.C. 1999, c. 33). Those obligations include prohibitions contained in sections 14, 15, and 16, specifically, not using:
  - i) equipment containing PCBs in a concentration of 500 mg/kg or more after December 31, 2009; and
  - ii) equipment containing PCBs in a concentration of at least 50 mg/kg but less than 500 mg/kg after:
    - December 31, 2009 if the equipment (excluding pole-top transformers) is located within 100 m of a sensitive location (i.e., a drinking water treatment plant, child care facility, etc.); or
    - December 31, 2025 if the equipment is located at any other place.

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1

2   b) During 2015-2019, Toronto Hydro's estimated OM&A costs are \$0.5 million  
3       annually to inspect and test equipment for the purposes of complying with the *PCB*  
4       *Regulations* (Exhibit 4A, Tab 2, Schedule 1, page 4). These costs are expected to be  
5       incurred as a part of the Preventative and Predictive Maintenance Program,  
6       specifically, the Below-Grade Equipment, Pad-Mounted Equipment, and Customer  
7       Location Maintenance segments. Equipment that is found to contain PCBs in  
8       concentrations that exceed 50 mg/kg would be replaced through an appropriate  
9       capital program.

10

11       Timelines planned for the PCB-related activities coincide with the December 31,  
12       2025 deadline contained in the *PCB Regulations* and Toronto Hydro expects to  
13       sustain these activities until 2025.

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

**INTERROGATORY 42:**

**Reference(s):**            **Exhibit 4A, Tab 2, Schedule 3**

**Preamble:**

On page 15 of the schedule footnote 10 states that “Toronto Hydro proposes to allocate a portion of the revenue received by TH Energy from the City of Toronto for street lighting maintenance and operation to exactly offset the revenue requirement impacts arising from the transfer”.

- a) Please describe the process by which TH Energy revenue from the City of Toronto is reallocated to THESL to offset revenue requirement arising from the transfer of street lighting assets.
- b) Does the revenue requirement include maintenance, operations, depreciation and return on capital components or just the maintenance and operations components?
- c) How much does THESL estimate the revenue requirement offset from this source will be in 2015?
- d) The footnote states that there will be no overall change in the 2015 Revenue Requirement resulting from these assets being included in rate base. Does the same hold true for 2016-2019?

**RESPONSE:**

- a) The process by which TH Energy revenue from the City of Toronto was reallocated to THESL entailed: 1) a calculation of the revenue requirement impact, as detailed in

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1 Exhibit 2A, Tab 5, Schedule 1, pages 19 - 22; and 2) a corresponding revenue offset  
2 forecast, as noted in Exhibit 3, Tab 2, Schedule 1, page 2, lines 19-23.

3

4 b) Yes, the revenue requirement includes maintenance, operations, depreciation and  
5 return on capital components. Please refer to Exhibit 2A, Tab 5, Schedule 1, page 22,  
6 Table 7 for a breakdown of the revenue requirement calculation.

7

8 c) As noted in Exhibit 2A, Tab 5, Schedule 1, page 22, Table 7 and Exhibit 3, Tab 2,  
9 Schedule 1, page 2, lines 19-23, Toronto Hydro estimates the revenue requirement  
10 offset to be \$8.1 million in 2015.

11

12 d) Toronto Hydro's rate proposal for 2016-19 is for mechanistic rate changes based on  
13 the Custom PCI index, as described in Exhibit 1B, Tab 1, Schedule 3.



## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1 **INTERROGATORY 43:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 3**

3

4

5 **Preamble:**

6 Table 6 on page 18, shows actual and forecast costs for major event and storm damage  
7 restoration. Given the very large cost in 2013 and the theme of increasingly violent  
8 weather events that appears throughout the evidence, it would seem optimistic to forecast  
9 costs based solely on the average of three years and excluding the 2013 major event  
10 costs.

11

12 Is it THESL's intention to deal with extreme weather event damage that exceeds the  
13 average by way of Z factor relief or is it prepared to accept the risk and absorb  
14 unexpected damage costs?

15

16

17 **RESPONSE:**

18 As detailed in Exhibit 1B, Tab 1, Schedule 1, extreme weather events such as storms may  
19 give rise to a request for Z-factor relief. Whether or not Toronto Hydro seeks such relief  
20 in relation to an extreme weather event will depend on the specific circumstances of the  
21 event, including the magnitude of the incurred costs.

22

23 Please also see Toronto Hydro's response to interrogatory 3-BOMA-23.

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

**INTERROGATORY 44:**

**Reference(s):**            **Exhibit 4A, Tab 2, Schedule 4**

**Preamble:**

This schedule describes THESL's need for a Disaster Preparedness Management Program. Table 1 on page 1 shows expenditures in 2009 of \$0.9 M.

- a) Was this expenditure related to the G20 conference referenced later in the exhibit? If not, please explain what the expenditure was for.
- b) Was any of the planning undertaken in 2009 useful for the proposed Disaster Program discussed in the exhibit? If yes, please provide details of what can be used.

**RESPONSE:**

- a) Based on the evidentiary reference provided, Toronto Hydro infers that Energy Probe is referencing the \$0.9 million in expenditures incurred in 2011, rather than 2009 as the question states. The referenced figure covered the costs of a four-person team primarily tasked with emergency management work. Expenditures incurred at this time were not related to the 2010 G20 summit.
- b) Toronto Hydro leveraged the documentation produced in 2011 in preparation of the current program's structure and objectives. The available documents, including governance framework drafts and program maturity assessments provided the foundation for the Disaster Preparedness Program as proposed in this application.

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

**INTERROGATORY 45:**

**Reference(s):           Exhibit 4A, Tab 2, Schedule 4**

**Preamble:**

Table 3 on page 25 shows \$1.55 M for full time staff.

- a) Please provide details of the number of employees included in this budget along with their position titles and job descriptions.
- b) Given that Board approval may not be forthcoming on this application until the spring of 2015, is it reasonable to expect that staff can be recruited to the full extent of the budget in 2015? If not, what would be a reasonable expectation for staffing in 2015?
- c) Is it reasonable that training, exercise and audit activity costs should be deferred until 2016 or later in light of the expected timeline for Board approvals and the lag inherent in establishing the program before downstream activities like these would be undertaken?
- d) THESL notes at the outset of the discussion that some disaster planning has always been part of its activities. How much should be acknowledged as already embedded in rates for disaster planning activities?
- e) Does THESL have an estimate of how much quicker or less costly the 2013 storm response would have been if it had its proposed disaster preparedness program in place at that time?
- f) If yes, please provide details of how restoration could have proceeded more quickly or more cost effectively. If no, what evidence or analysis does THESL have that the proposed program would provide value to customers for the cost incurred?

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1   **RESPONSE:**

2   a) Comparisons to industry peers indicate that a utility of Toronto Hydro's size should  
3       have at least eight dedicated full-time employees to manage all facets of the disaster  
4       and emergency management program. The group would consist of one Director and  
5       seven Emergency / Disaster Management Professionals. Please see the attached  
6       position descriptions (Appendices A and B).

7

8   b) Toronto Hydro plans to commence filling these positions following the anticipated  
9       implementation of the new rates in May 2015. Accordingly, the pace of the proposed  
10      2015 expenditures would be in line with the incremental funding provided for through  
11      the requested budget.

12

13   c) Given the nature of these activities, Toronto Hydro does not believe that deferring  
14      them would be reasonable or desirable.

15

16   d) The current level of available rates funding used for the Disaster Preparedness  
17      Activities amounts to approximately \$0.3 million.

18

19   e) No.

20

21   f) For a discussion of the value provided by a comprehensive Disaster preparedness  
22      Program, please see the Independent Review Panel Report assessing Toronto Hydro's  
23      response to the 2013 ice storm (Exhibit 4A, Tab 2, Schedule 5, Appendix A).

# POSITION PROFILE

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**Position Title:** Emergency Management Program Consultant

## Position Objectives

- To provide research and operational support and advice to the Director, Emergency Management in the development of Toronto Hydro's Emergency Preparedness and Business Continuity Plans.
- To support the continued delivery of key services to the residents of Toronto in the event of an emergency or critical event.
- To ensure that Toronto Hydro is prepared for an emergency by assisting in response activities and coordination during an emergency and/or potential emergency and by providing support to the Manager, Emergency Management

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## Key Responsibilities

*Toronto Hydro is a key employer in the City of Toronto and provides critical infrastructure services to its clients. As a result, Toronto Hydro has an obligation to ensure the safety and protection of its employees, protect its assets in an emergency situation and ensure that its services are available as quickly as possible to citizens after an emergency. It is within this context that the position performs the following duties:*

1. Supports the Manager, Emergency Management, in the development and implementation of Toronto Hydro's Emergency Management and BCP Program to ensure the organization can respond quickly and effectively to any emergency situation that may affect operations, employees and/or services to clients. Maintains a list of managers responsible for acting as emergency management leads and backups by identifying those contacts and ensuring the most current information is available.
2. Assists the Manager in assessing threats and risks to the continuity of Toronto Hydro operations, including monitoring and analyzing potential threats against staff, infrastructure and programs. Identifies risks to the Manager to help prevent emergencies that could cause harm to Toronto Hydro, its employees or assets. Works with all Business Unit Business Continuity Planning (BCP) leads to guide them through the entire BCP process, including the development and implementation of BCP plans and procedures for all critical processes, as well as the development of an organizational "umbrella" Business Continuity Plan. Reviews emergency plans and Business Continuity Plans and provides recommendations for improvement and/or compliance with applicable legislation and/or standards.
3. Liaises regularly with City of Toronto's Office of Emergency Management (OEM), Emergency Management Ontario (EMO), the Independent Electricity System Operator (IESO) and various other stakeholders and government (federal, municipal, regional) organizations to exchange information. Represents the Manager at various committees and meetings as required.
4. Assists the Manager with Toronto Hydro's emergency exercises and drills by developing inputs and scenarios, organizing, coordinating and participating in the conduct of exercises and drills.
5. Assists with the development and delivery of training in emergency management and business continuity planning to designated employees and managers within Toronto Hydro on how to respond to emergencies or contingency situations.
6. Works with the Manager, Emergency Management on the development of communication plans and materials, including managing and disseminating information. Coordinates communication activities related to the emergency management and BCP programs. Researches, designs and drafts communications materials for use in explaining Toronto Hydro's position and efforts on emergency management, pandemic and business continuity planning. Researches and provides input to the development of procedures or best practices for emergency response and crisis situations. Provides technical support and research in the development of publications and/or awareness/education programs related to Toronto Hydro's emergency management program, including the development and maintenance of internal and external Emergency Management web pages.
7. Works with the Manager, Emergency Management on the design and coordination of mechanisms to evaluate program effectiveness and divisional performance.
8. Interprets related policies, procedures, guidelines, standards and/or collective agreements.
9. Provides operational support related to business continuity or emergency situations affecting Toronto Hydro and/or its customers by ensuring the functionality and preparedness of the Emergency Operations Centre (EOC), the System Operations Centre (SOC), and the Local Incident Command Centers (LICCs).
10. The position works with the Manager in coordinating all aspects of emergency management and business continuity activities, responding to emergencies/recovery operations and any related infrastructure, communications, personnel or city-wide need.
11. In case of an emergency, position may be required to work 24/7 (as required) to support the Emergency Operations Centre (EOC) or System Operations Centre (SOC).
12. **Safety Internal Responsibility System (IRS)**
  - Follow regulatory procedures
  - Follow employer's procedures
  - Engage in job planning with Crew Leader and/or Supervisor
  - Follow job plan
  - Identify defects, contraventions and dangers
  - Use initiative to reduce risk
  - Apply discretion to solve OH&S problems
  - Report unresolved problems
  - Work cooperatively with co-workers, crew leaders, supervisors and others

## Knowledge Requirements

- Position requires knowledge of relevant acts, regulations and standards (Emergency Management and Civil Protection Act, CSA Z1600, etc...), as well as emergency management/business continuity principles to support ongoing emergency management and business continuity planning activities.
- The ability to manage small and large projects. Strong research, analytical, evaluation and problem solving skills to develop and recommend resolutions to complex problems and contentious issues.
- Knowledge of project management, time management and organization skills in order to coordinate communication activities, support the development of plans and policies and meet critical timelines and project deadlines. Analytical and research skills to assess compliance with relevant legislation, policies, conduct research and analyze data.
- Ability to work in a team environment. Good consultation, issues management and networking skills to consult with managers and staff. Advanced written and oral communication skills to prepare and present reports, papers, briefing material. Ability to facilitate the work of small groups and to develop and deliver presentations. Advanced ability with MS Office products. Ability to work in an independent and self-directed manner and as a member of a team under pressure to meet deadlines.
- Ability to undergo security checks successfully.
- Ability to work under stress during emergencies

# POSITION PROFILE

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## **Key Accountabilities (listed in order of importance)**

- **Program:** Position is responsible for the provision of research and operational support related to emergency management and business continuity planning activities including: conducting research and providing input into the development of plans, procedures/best practices for emergency management and business continuity, designing and developing communication materials, providing advice to managers, analyzing data, reviewing emergency plans and business continuity plans and recommending improvement and/or compliance with applicable legislation and/or standards, maintaining a database of contacts, liaising with stakeholders/clients.
- **Material and Financial:** Development of costing and evaluation of various proposals tabled and has the ability to participate in the analysis of all financial aspects related to program delivery.
- **Personnel:** Responsible for project leadership of staff assigned to project teams and for monitoring of consultants' work. Provides assistance to new or less senior staff as required. May supervise students and/or consultants or seconded staff
- **Impact of Errors:** Failure to provide adequate operational support related to Toronto Hydro's emergency management and business continuity program could result in the inability to meet program objectives. Errors in judgment and provision of inaccurate information/research and issues/data analysis could have a critical impact on Toronto Hydro's ability to develop and implement effective Emergency Management and Business Continuity Programs in compliance with legislated requirements. Failure to resolve problems encountered in the delivery of Emergency Management and BCP programs will damage the credibility of the programs with other jurisdictions, and may affect delivery of services to persons in need.

## **Skill Requirements**

### **Communication skills to deal with both internal and external stakeholders:**

- **Internal:** Regular contact with Business Unit Emergency Management/BCP leads and Managers to provide service and advice on safe and secure operations within their areas of responsibility ( Legal Services, Information Technology, Facilities, Communications, Human Resources, Finance). Regular consultation with all levels of management to develop and implement business continuity plans and procedures. Regular contact with all levels of staff to provide training and increase awareness of emergency preparedness and business continuity. Regular contact with City of Toronto's Office of Emergency Management, Emergency Management Ontario (EMO) and officials of other governments and agencies to seek advice and/or coordinate efforts; particularly those tasked with EM and BCP responsibilities.
- **External:** Position has regular contact with the IESO, occasional contact with governments (federal, municipal, provincial), external consultants and private sector organizations involved in the implementation of emergency management and business continuity at Toronto Hydro. Represents the Manager at select committees.

### **Judgment:**

- Position exercises judgment in assessing compliance with related legislation, policies, procedures and standards and providing advice and guidance to managers. Position exercises judgment in conducting research in support of policy and program development; assisting in conducting risk assessments and analyzing data.
- Judgment is exercised in assessing the seriousness of problems, and in developing feasible solutions; simplifying complex technical data into concise, clear recommendations for Management; and in deciding and recommending which items require further study.
- Judgment is exercised in developing stakeholder/client information and training materials to be easily understood by stakeholders/clients. A high level of judgment is required to advise management during an actual emergency.

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### **Behavioural & Leadership Requirements**

#### **Business Acumen:**

Links long range visions and concepts to daily work; prioritizes work in alignment with operational goals

#### **Coaching:**

Acts as a resource and coaches to encourage employees to reach their full potential. Creates an environment where employees are inspired to a high level of performance. Encourages people to work together as a team to solve problems and develop innovative processes to increase customer satisfaction and reduce costs.

#### **Conceptual Thinking**

Sees "big picture", identifies connections and patterns that are not obvious to others; timely identification of key issues and/or actions in complex and/or time-critical situations.

#### **Collaborative Decision Making**

Gathers and analyzes available information to arrive at appropriate resolution; seeks to understand the problem before implementing a solution; develops effective solutions to organizational problems

#### **Customer Focused/Relationship Building:**

Understands customer needs and expectations. Takes the extra steps to ensure customer understanding and satisfaction. Uses techniques to build teams and empower employees to strive to provide excellent customer service. Builds rapport; establishes relationships with colleagues and stakeholders

#### **Leadership:**

Lead change and possesses a sense of mission. Portrays an image that inspires action; determines behaviour and fuels motivation. Understands and utilizes the actions and behaviours necessary to create organizational change.

#### **Self Awareness:**

Recognizes and understands others moods, emotions and drives; knows ones strengths and limits. Understands the attitudes, interests, needs, and perspective of others.



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Experience	Education	Scope Measure
<ul style="list-style-type: none"><li>✓ Must possess a minimum of 5 years direct experience developing/overseeing organizational emergency management and business continuity programs</li><li>✓ In-depth experience providing service in one or more of the following functions: emergency operations and incident support; developing emergency preparedness and business continuity plans; planning, developing and delivering training programs and exercises specific to emergency management and/or BCP; performing research, analyzing information and writing reports/policies/protocols</li></ul>	<ul style="list-style-type: none"><li>✓ Associate Business Continuity Professional (ABCP) designation required</li><li>✓ Post secondary degree, diploma or certificate in emergency management and/or business continuity planning, or a combination of equivalent related training and hands-on experience</li></ul> <p>Certified Business Continuity Professional (CBCP) certification preferred</p> <p>Project Management certification would be an asset</p>	

# JOB PROFILE

Toronto Hydro-Electric System Limited  
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Interrogatory Responses  
4A-EP-45  
Appendix B  
Filed: 2014 Nov 5 ( 2 pages)



Job Title: Director, Grid Emergency Management
Department/Division: Electric Operations & Procurement
Reports To: Executive Vice President and Chief Electric Operations & Procurement Officer
Date Prepared: July 2014

## Overall Job Purpose & Accountabilities:

Job Purpose: ( A high level overview of why the job exists and what it must accomplish:)

Reporting to the Executive Vice President and Chief Electric Operations & Procurement Officer, the Director of Grid Emergency Management – Planning & Operations, ensures a sustained state of grid response readiness and proficiency as it relates to grid emergency management and field operations by directing the development, maintenance, and implementation of comprehensive grid emergency preparedness and business continuity plans that are fully integrated into all operational business units, and that are aligned with all relevant first responder, municipal, provincial and federal agencies.

S/he directs impact analysis associated with a variety of grid disruption scenarios (both in real time and forecasted) including grid equipment failures, natural disasters, and civil events and the development of engineering designs, tactical field operating plans, and risk mitigation strategies to effectively respond to those grid disruption scenarios. Moreover, s/he will be responsible to ensure the development and delivery of training for each of the specific roles and responsibilities within the organizations grid emergency preparedness and business continuity plans.

S/he will provide assume the role of Incident Commander / Deputy Incident Commander during declarations of emergency or significant events and may be required to work extended hours including 7 x 24 extended coverage and will also be the primary security interface with corporate security as it relates to grid operations.

% (of time spent on each responsibility)	Accountabilities: (List <u>4-6 responsibilities and desired results</u> that enable the individual to achieve the objectives of the job )
35%	Develops and implements the organizations Grid Emergency Preparedness and Business Continuity Plans. Directs the system and customer impact analysis necessary to develop engineering designs, tactical field operations plans, risk mitigation strategies and supply point contingency plans to effectively respond to a variety of scenarios including: transmission & distribution system equipment failures, weather related events, network failures / cascade, civil events (PAN/AM, G8/G20, Conventions, etc...), natural disasters ( ice storm, floods, heat wave, tornadoes), security threats. Plans must be developed to include industry best practices and be pursuant to the regulations set forth by the Ontario Energy Board (OEB), the Independent Electricity System Operator (IESO), the North American Electric Reliability Corporation (NERC), the Emergency Plans Act of Ontario, and any and all other applicable Federal, Provincial, and/or Municipal legislation.
35%	Directs Local Incident Command Centre (LICC's) and field response strategies during grid disruption declarations of level II (or higher), or any grid disruption that attracts provincial, municipal, and/or local media coverage. S/he will develop national/international Mutual Aid Agreements with participating utilities and develop the necessary process and logistics systems to efficiently deploy or receive mutual aid. This position will assume the role of Senior Management Standby 7/24, 365, and will be responsible to ensure adequate field resources standby coverage across electric operations throughout the year, and act in the role of Deputy Incident Commander during declarations of emergency as required.
15%	Directs the design and delivery of tactical training plans and programs to directly responsible persons (DRP's) in their specific roles and responsibilities across electric operations as it relates to the organizations emergency preparedness and business continuity plans. S/he will also develop plans for, and conduct appropriate drills and practice drills to ensure a sustained state of readiness of all resources involved in decelerations of grid emergency response. S/he will be the primary contact for external Mutual Assistance requests and will also act as the grid security interface with corporate security.
15%	Champions grid disruption emergency management across the organization by providing timely recommendations to Executive Management that mitigate the corporations risk exposure and improve response capabilities and

# JOB PROFILE



	effectiveness. Provide accurate reporting of operational performance. Coordinate the implementation of grid disruption plans with corporate risk management, other divisions within the organization, and across external agencies i.e. , Police, Fire, Ambulance, Utilities, Key Accounts, City Works, City EMO, Provincial EMO, etc...) Manages all intra-corporate and outbound information flows as they relate to emergency response.
--	--

## Education and Experience:

Education (minimum)	Experience (minimum)	Work Conditions	Scope
<ul style="list-style-type: none"> <li>Bachelor's Degree in Engineering, Applied Science, or Business Management</li> <li>Registered Professional Engineer</li> <li>Graduate degree in Engineering or Business Management (preferred)</li> <li>Emergency Management Certification (CEM, CDRP) (preferred)</li> </ul>	<ul style="list-style-type: none"> <li>Ten (10) years broad experience in electric utility engineering &amp; operations</li> <li>Five (5) or more years experience in utility emergency response, planning, or management</li> <li>Five (5) years progressive leadership experience</li> </ul>	<ul style="list-style-type: none"> <li>Inside / Outside</li> <li>Abroad (nationally/Internationally)</li> <li>City Council / TEMPC</li> <li>Ability to perform under pressure</li> <li>Across all work centers</li> </ul>	<ul style="list-style-type: none"> <li>6-8 direct reports (Engineers/process mgmt)</li> <li>Substantial impact to OPEX, Reliability, Customer Service/Brand</li> <li>External EM prime</li> <li>Incident Commander/Deputy Incident Commander</li> <li>Dedicated Senior Management Standby</li> </ul>

## Knowledge, Skills and Competencies:

***(List the specific knowledge, special skills and competencies required to fulfill the position objectives and accountabilities)***

- Demonstrated understanding of general utility operations and interdependencies across business divisions
- Demonstrated understanding electric distribution systems, construction, maintenance & repair
- Demonstrated knowledge of applicable work practices, procedures, and safety requirements
- Demonstrated understanding of decision support technologies and systems
- Demonstrated understanding of the interdependencies across stakeholder agencies including Hydro One Control Operations, IESO, City of Toronto Emergency Management, Provincial Office of Emergency Management, Toronto Police Services, Toronto Fire Services, EMS, etc...).
- Demonstrated knowledge of the concepts, principals and strategies associated with Electric Utility emergency preparedness and tactical business continuity plans. Completion of the Emergency Measures Ontario curriculum and attainment of applicable emergency management certifications (CEM, CDRP)
- Excellent interpersonal skills with the ability to influence and communicate effectively both orally and in writing at all organizational levels and with external stakeholders. Completion of the Emergency Measures Ontario curriculum and attainment of applicable emergency management certifications (CEM, CDRP)
- Strong verbal and written communication skills
- Excellent analytical, process re-engineering, and project management skills
- Excellent problem solving, and decision making skills (particularly in emergency situations)
- Mature, seasoned business judgment

**Key Performance Accountabilities:** Direct impact on system reliability metrics specifically SAIDI, CAIDI, and KAWPF. Direct impact on emergency and reactive operational budgets. Direct impact on key account management, external brand quality, government relations and legislative compliance.

**Toronto Hydro Core Competencies:** [ ] Executive [x] Sr. Leadership [ ] Supervisor [ ] Professional [ ] Administrative/Support

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

**INTERROGATORY 46:**

**Reference(s):**            **Exhibit 4A, Tab 2, Schedule 6**

**Preamble:**

Page 5 discusses temporary service requests and notes that “Toronto Hydro provides firm quotations for these transactions, with any variance between actual costs of completing the project and the terms of a firm connection offer recovered through operating expenditures.”

a) Please provide a variance summary for the past five years between firm price connection offers and actual costs.

b) Has THESL considered providing estimated connection costs with the proviso that the customer will be charged actual costs? If yes, what factors led it to choose firm price connection offers. If no, please explain why this would not be a good strategy to protect ratepayers from any impact on operating costs.

**RESPONSE:**

a) The table below contains a variance summary. Please note that in the aggregate actual connection costs have been somewhat less than the firm connection amounts quoted over the last five years:

## RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES

	2009	2010	2011	2012	2013
<b>Variance<sup>1</sup></b> <b>(\$ millions)</b>	\$0.2	\$0.0	- \$0.2	- \$0.2	- \$0.3

<sup>1</sup>Variance = Actual Cost - Revenue from Firm Connection Offer

1    b) Toronto Hydro has considered alternatives to a firm quotation based on an estimate of  
2    actual cost. The firm quotation has been selected for two reasons. One, customers  
3    prefer the certainty that a firm quotation provides. This is particularly true in cases  
4    where the connection is complex and expensive, such as large development projects.  
5    For some projects, temporary connections can cost tens if not hundreds of thousands  
6    of dollars and unforeseen issues and contingencies can result in actual costs that are  
7    appreciably different than estimated costs. Second, a firm quotation results in a more  
8    efficient and administratively less burdensome process for both customers and  
9    Toronto Hydro. For example, there is no requirement for additional communication  
10   with respect to costs after the connection is completed.

11  
12   Please note that for a subset of temporary service connections (i.e., temporary service  
13   install and remove – overhead) Toronto Hydro is seeking approval for a new specific  
14   service charge as discussed in Exhibit 8A, Tab 2, Schedule 1, pages 2 and 4. With  
15   the proposed service charge, Toronto Hydro seeks to charge a flat fee for this subset  
16   of connections as opposed to the firm quotation based on an estimate of actual costs  
17   currently used.

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

**INTERROGATORY 47:**

**Reference(s):**            **Exhibit 4A, Tab 2, Schedule 7**

**Preamble:**

Table 3 on Page 7 of the schedule shows Planning and Records Management costs increasing from \$5.5 M and \$5.7 M in 2011 and 2012 respectively to \$8.8 M in 2013, \$8.7 M in 2014 and \$9.0 M in 2015.

Please provide a more detailed explanation of why costs in this segment have increased about 60% over 2011 levels.

**RESPONSE:**

Planning and Records Management costs are proposed to increase to \$8.7 million in 2015 from the \$5.6 million and \$5.7 million level in 2011 and 2012 predominantly due to the following:

- \$1.6 million in new programs and pilot initiatives, the largest portion of which is made up of OM&A expenditures from the Local Demand Response Program discussed in Exhibit 2B, Section E7.10 (at page 36);
- \$0.3 million in write-offs of design costs associated with capital projects that have been identified as no longer required due to changes in system needs;
- \$0.3 million in contractor costs to support various functions (e.g., asset records management, utility circulations, maintenance planning);

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1 In addition to the above, the Planning and Records Management function is labour  
2 intensive with the majority of staff represented by the Society of Energy Professionals.  
3 Under the Collective Agreement with the Society, (Exhibit 4A, Tab 4, Schedule 1, page  
4 7) which has been in effect since April 12, 2012 (and expires on December 31, 2015),  
5 base salary increases averaged 1.75% between 2012 and 2014 and are to be 2% in 2015  
6 (Exhibit 4A, Tab 4, Schedule 5, page 10).

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

**INTERROGATORY 48:**

**Reference(s):**            **Exhibit 4A, Tab 2, Schedule 11**

**Preamble:**

Table 3 on page 7 of the schedule shows Facilities Maintenance Services will increase from about \$10 M in 2012 and 2013 to \$13.7 M in 2015 (an increase of about 35%. This increase is attributed partly to inflation and to the introduction of the Facilities Management Office “which has significantly increased the scope of facilities service available at Toronto Hydro...”

- a) The FMO is presented as an efficiency improvement feature but costs appear to have increased significantly as a result of its implementation. Please explain in more detail how this new structure provides customer value for the cost incurred.
- b) Please provide more detail on the “increased scope of facilities services” available through the FMO.
- c) How were these services provided in the past before the advent of the FMO?

**RESPONSE:**

**Preamble:**

Toronto Hydro notes that the \$13.7 million Test Year budget referenced in the question is based on Toronto Hydro’s pre-filed evidence, which has been updated on September 23, 2014. As a result of the update, the Facilities Maintenance Services Segment OM&A Test Year budget has been reduced by \$0.2 million, to \$13.5 million. In 2012 the program staffing complement was reduced by approximately



## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1       30% as a result of the Voluntary Exit Program. This reduction led to lower service  
2       levels for 2012 and 2013 (e.g., reduction in total maintenance tasks completed) and  
3       was not sustainable. The service levels were later restored through the introduction of  
4       the FMO in 2014, along with additional services described below.

5  
6       a) The FMO business model provides customer value in a number of ways. First, the  
7       arrangement includes a common intake model for all facilities concerns, requests and  
8       issues for building occupants and the general public. This function reduces the time  
9       spent identifying an appropriate contractor to remedy an identified issue, thereby  
10      facilitating faster resolution of the issue at hand, and allowing Toronto Hydro staff to  
11      focus on core business activities. Moreover, as discussed in the Exhibit 4A, Tab 2,  
12      Schedule 11, in cases where issues arise with the equipment used to facilitate the  
13      utility's capital or maintenance programs (e.g., a warehouse lifting device), any  
14      delays caused by malfunctioning or non-compliant equipment can have a direct  
15      impact on Toronto Hydro's ability to provide and/or restore electricity service,  
16      thereby impacting customers. These risks are mitigated through a centrally managed  
17      intake system. Beyond streamlining the work identification and assignment process,  
18      the FMO arrangement allows the utility to centralize scheduling, tracking and record-  
19      keeping of all preventative and reactive maintenance tasks, which leads to faster and  
20      more efficient execution and enhances the planning process itself.

21  
22      Moreover, the FMO arrangement provides efficiencies in freeing up internal  
23      resources that would otherwise be dedicated to invoicing, purchasing and contract  
24      management. As stated in Exhibit 4A, Tab 2, Schedule 11, the FMO provider is  
25      responsible for procuring, scheduling, and tracking the contract services that Toronto  
26      Hydro formerly sourced on an individual basis. Through the FMO, Toronto Hydro

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

1 now manages and administers a single external facilities contract, passing the bulk of  
2 administrative work to the FMO, who sub-contracts the individual services. This  
3 arrangement significantly streamlines the process for Toronto Hydro's procurement  
4 and accounts payable functions, by eliminating the need for creation and processing  
5 of a large number of tenders, purchase orders, and invoices. In addition to the  
6 administrative efficiencies, external contract consolidation allows Toronto Hydro to  
7 leverage the size of the FMO tender to obtain more competitive prices and increase  
8 the efficiency of responding to unforeseen work requirements. Finally, the FMO  
9 arrangement has also facilitated the implementation of formal programs related to  
10 Designated Substance Surveys (DSS) and Asbestos Containing Materials (ACMs).

11

12 b) Increased scope includes a 24-hour call centre and a webform that dispatches internal  
13 or external workers immediately. It also includes a maintenance management system  
14 that keeps records of legislated maintenance tasks, tenant requests and corrective  
15 work orders. In addition to being a legal requirement, these records help Toronto  
16 Hydro analyze and justify maintenance activities where business cases may be  
17 required. The maintenance management system also automatically schedules the  
18 regular maintenance tasks, ensuring that maintenance workers' schedules are  
19 balanced and efficient, and all applicable activities are performed within the optimal  
20 timelines. Furthermore, the FMO provides an asset tagging and registration system  
21 that links tasks to the assets. This system allows Toronto Hydro to keep track of  
22 maintenance records and provides appropriate detail to analyze the replacement  
23 programs.

24

## **RESPONSES TO ENERGY PROBE RESEARCH FOUNDATION INTERROGATORIES**

- 1 c) Please see Exhibit 4A, Tab 2, Schedule 11, pages5-7 for the discussion of the
- 2 previous approach to providing the services in question, along with the improvements
- 3 introduced by the FMO arrangement.

## **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

1 **INTERROGATORY 41:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 6, Appendix A**

3

4

5 Please explain how it is reasonable that not a single Ontario electricity distributor is  
6 utilized to compare the Applicant's compensation levels.

7

8

9 **RESPONSE (PREPARED BY TOWERS WATSON):**

10 The premise of this question is incorrect. Third party compensation data was sought  
11 from the Hay Group to ensure that data for Ontario electricity distributors were  
12 appropriately considered as part of the compensation review. These organizations do not  
13 currently participate in Towers Watson's proprietary compensation surveys.

## **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

1 **INTERROGATORY 42:**

2 **Reference(s):** Exhibit 4A, Tab 4, Schedule 1, p.7

3

4

5 Please provide a copy of the Applicant's current collective agreements with CUPE and  
6 the Society.

7

8

9 **RESPONSE:**

10 The current collective agreements are provided as Appendices to this Schedule:

- 11 • Appendix A – Collective Agreement Representing Inside Employees, February 1,  
12 2014 to January 31, 2018
- 13 • Appendix B – Collective Agreement Representing Outside Employees, February  
14 1, 2014 to January 31, 2018
- 15 • Appendix C – Collective Agreement with the Society of Energy Professionals,  
16 January 1, 2012 to December 31, 2015

## COLLECTIVE AGREEMENT



BETWEEN



**TORONTO HYDRO**

AND

**LOCAL NO. 1  
CANADIAN UNION OF  
PUBLIC EMPLOYEES**

(Representing Inside Employees)

FEBRUARY 1, 2014

TO

JANUARY 31, 2018

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INSIDE EMPLOYEES' AGREEMENT

Between

TORONTO HYDRO

(hereinafter called the "Employer")

and

CANADIAN UNION OF PUBLIC EMPLOYEES  
LOCAL NO. 1

(hereinafter called the "Union")

## ARTICLE 1

### PURPOSE

- 1.01 The purpose of this Agreement is to maintain a harmonious relationship between the Employer and the Inside employees and to provide amicable methods of settling differences. This relationship will ensure effective and efficient operations to meet the needs of our customers and our community.
- 1.02 It is the intent and purpose of the parties to set forth here the agreement between the Employer and the Union concerning rates of pay, hours of work and all other conditions of employment.
- 1.03 The Employer is responsible for the safety, comfort and general welfare of the community in respect to the service of electrical energy and the employees are prepared to assist at all hours of the day or night in the provision of such service except when employee is on sick leave, vacation, WSIB, or any other approved leave.

## ARTICLE 2

### UNION RECOGNITION

- 2.01
  - (a) The Employer recognizes the Union as the exclusive bargaining agent for its employees in the classifications listed in Schedule I of this Agreement.
  - (b) For greater certainty, but without expanding Schedule I, the Union's bargaining unit excludes: Supervisors; Leaders; persons above the rank of Supervisors, and Leaders; Human Resource staff; Legal Services staff; Public Relations Staff; Payroll staff; Engineers; Administrators; Information Technology staff; Administrative Assistants; Analysts; Sales staff; Marketing staff; Retail staff; Coordinators; Consultants; and persons regularly employed for not more than 24 hours per week.

ARTICLE 3  
**NO DISCRIMINATION**

3.01

- (a) The Employer, with respect to employment or any term or condition of employment, discipline or discharge, agrees that it will not discriminate against a person as provided under the Human Rights Code (Ontario), or by reason of membership or activity in the Union.
- (b) All rights and benefits conferred under this Collective Agreement to employees on the basis of a spousal relationship, shall be equally conferred when the employee's partner is of the same sex.

ARTICLE 4  
**MANAGEMENT RIGHTS**

4.01 The Union recognizes that the management of the Employer and the direction of the work force are fixed exclusively in the Employer and shall remain solely with the Employer except as specifically limited by the express provisions of this Agreement. Without restricting the generality of the foregoing, the Union acknowledges that it is the exclusive function of the Employer to:

- (a) maintain order, discipline and efficiency;
- (b) hire, discharge, direct, classify, transfer, set qualifications, promote, demote and suspend or otherwise discipline any employee provided that a claim that a non-probationary employee has been discharged or disciplined without reasonable cause;

- (c) generally to manage the operation and undertakings of the Employer and take such measures as the Employer may determine for the order and/or economical operation of the Employer's business and without restricting the generality of the foregoing to select, install and require the operation of any equipment, plant and machinery which the Employer in its discretion deems necessary for the efficient and economical carrying out of the operations and undertakings of the Employer.

The Union further recognizes the right of the Employer to make and alter from time to time rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement.

Management shall exercise its rights in a fair and reasonable manner that is consistent with the terms of this Agreement.

## **ARTICLE 5**

### **STRIKES & LOCKOUTS**

- 5.01 The Union agrees it will not counsel or authorize any strike during the lifetime of this Agreement and the Employer agrees that there will be no lockout of Employees during the term of the agreement.
- 5.02 The terms "strike" and "lockout" as used above will be defined in accordance with the definitions set out in the Labour Relations Act of the Province of Ontario.
- 5.03 Inside employees are not required to cross picket lines except to perform duties relative to the Employer's operation and the maintenance of service to equipment within the Employer's jurisdiction and under no circumstances will an employee be required to force a crossing of a picket line.

**ARTICLE 6**  
**UNION SECURITY & CHECK-OFF**

6.01 Inside employees and students, as defined in 6.02, as a condition of employment, become members of the Union on hiring and retain membership for the duration of recognition by the Employer of the Union as sole bargaining agent for Inside employees.

6.02 Students may be employed either for the summer vacation period extending from April 15<sup>th</sup> to September 15<sup>th</sup> each year, or on work terms of a co-operative training program with a university or college. The only provisions of the Agreement applicable to students are:

- (1) Union Representation
- (2) Grievance Procedure
- (3) Recognized Public Holidays
- (4) Bereavement

Students required to wear safety footwear, shall be allowed up to 50% of the safety footwear allowance in Article 18.02 per contract year to obtain and maintain safety footwear. Footwear shall be approved by immediate Supervisor.

6.03 The Employer hereby agrees that for all the employees of the Inside Bargaining Unit, they will deduct their Union dues or the equivalent thereof in accordance with the constitution of the Local Union and will remit such sums of monies to the Treasurer of the Local every pay day, along with a duplicate check-off list showing the names from whom the deductions are made.

6.04 The Employer will supply the Union with a list of current Inside Bargaining Unit employees' names and addresses and telephone numbers (unless an employee advises otherwise) on a computer disk using compatible software annually.

6.05 The Employer shall supply to each employee receipts on the income tax T4 slips in the amount of the Union dues paid by each Union member in the previous year.

6.06

(a) All Inside Bargaining Unit employees shall be paid bi-weekly by direct deposit according to earnings. The rate of pay to which each employee covered by the terms of this Agreement shall be entitled is in accordance with her/his classification and the wage rate set out in Schedule I. On each pay day, each employee shall be provided with an itemized statement of wages and deductions including but not limited to vacation, sick and lieu time hours.

b) Employees shall upon giving at least fifteen (15) working days notice, receive on the last day preceding commencement of their annual vacation, pay which would normally be paid during the period of their vacation.

## **ARTICLE 7 STEWARDS**

7.01 In order to provide an orderly procedure for the settling of grievances, the Employer acknowledges the right of the Union to appoint or otherwise elect twenty-five (25) stewards whose duties shall be to assist employees in preparing and presenting grievances in accordance with the grievance procedure. The Union shall notify the Employer in writing of the name of each steward.

7.02 If proper discharge of grievance responsibility requires the absence from work of a union steward, in order that the work of the Employer shall not be unreasonably interrupted, no steward shall leave her/his work without obtaining the permission of her/his immediate supervisor. Such permission shall not be unreasonably withheld and such authorized absence shall be paid by the Employer.



- 7.03 When the Employer arranges a meeting with an employee and such meeting may result in disciplinary action, said employee may request representation by the Union Steward. The Employer will contact the Union Office who will arrange for a Union Steward. The Union Steward assigned shall be from the same location as the employee being interviewed and if no Union Steward is available, then from other locations. No employee shall be disciplined or discharged without just cause. A copy of any disciplinary letter will be sent to the Union, unless the employee disagrees with such notification.

## ARTICLE 8 **GRIEVANCE PROCEDURE, MEDIATION & ARBITRATION**

- 8.01 It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible. If an employee has a complaint related to an alleged violation of the Collective Agreement s/he may at her/his option discuss it with her/his immediate supervisor within three (3) days after the circumstances giving rise to the complaint (grieved action) have occurred or have or ought to have reasonably come to the attention of the employee. The Supervisor shall give a response to the complaint within three (3) days. These discussions will not establish precedent. Failing settlement, or failing a response to the complaint, it may be taken up as a grievance in the following manner and sequence:
- 8.02 Procedure: Any employee or group of employees, for whom the Union is the bargaining agent, may refer grievances to the Union Steward. Grievances must be filed within fifteen (15) working days of grieved act or except where both parties agree to an extension of time. There is no grievance until an employee has reported her/his complaint to the Supervisor.

- 8.03 The grievance form shall contain a statement giving particulars of the grieved action, a statement as to the remedy sought and the provisions of the Agreement alleged to have been breached, provided that this does not preclude the grievor or Employer from relying upon other provisions of the Agreement.
- 8.04 Step 1. Grievance form is completed in duplicate and signed by the employee and Union Steward, presented to the Supervisor by the Union Steward and employee(s) (at their option). Both copies are to be returned by the Supervisor with her/his signed comments to the Union Steward within three (3) working days.
- 8.05 Once a grievance has been filed no Supervisor or Employer Official shall discuss said grievance with the grieved employee except in the presence of a Steward or Union Official.
- 8.06 Step 2. If satisfaction is not obtained in Step 1, the Union Steward, within five (5) working days, may refer the grievance to the Department Manager or designate, who will meet and discuss the grievance with the Union Steward, employee(s) (at their option) and the Human Resources Consultant then render a decision in writing on the prescribed forms within five (5) working days of receiving the grievance from the Union Steward.
- 8.07 Step 3. If satisfaction is not obtained in Step 2, the Union may within ten (10) working days, refer the grievance to the Vice President of Human Resources or designate who shall meet with the Vice President of the Union or designate, employee(s) (at their option) and a Human Resources Consultant to review the grievance and shall render a decision in writing within ten (10) working days.

- 8.08 The Union or Employer shall have the right to initiate at Step 3, grievances arising out of the interpretation, administration or alleged violation of any provision of this Agreement which is a policy matter that affects the Union or Employer in any way.
- 8.09 Should the Union or Employer fail to receive a decision within the time limit set out in the grievance procedure, the grievance shall automatically proceed to the next step.
- 8.10 The Union shall provide the Employer's Human Resources Department with a letter confirming resolution of the grievance within ten (10) working days.
- 8.11 The time limits fixed in Grievance Adjustment may be extended by consent of the parties of this Agreement.
- 8.12 Time absent from work for grievance representation is paid by the Employer.

#### Arbitration

- 8.13 If satisfaction is not obtained in Step 3, either party may within fifteen (15) working days refer the grievance to arbitration in accordance with the arbitration provisions of this Agreement. Notice in writing will be provided by the party making application for arbitration within the prescribed time limit.
- 8.14 Any difference of opinion, not otherwise resolved, relative to the interpretation, application or administration of this Agreement, may be referred to the Ontario Ministry of Labour with request for appointment of an Arbitrator, whose decision is final and binding on both parties for the remainder of the term of this Agreement. The Arbitrator dealing with a grievance concerning discipline or discharge may amend or modify any penalty.

## **Mediation**

- 8.15** Once the Union or Employer has referred a grievance to arbitration, both parties may within forty (40) working days agree to use the services of a mutually agreeable Mediator to assist the parties in resolving the grievance. The grievor(s) may attend the mediation meeting at the request of the Union. The Union shall reimburse the Employer the whole cost of the grievor(s) wages for time spent away from work. The parties will jointly, in equal shares, bear the expenses of the Mediator. Any mutually agreeable resolution reached by the parties through such mediation shall be binding upon the parties but shall be without precedent or prejudice.

## **ARTICLE 9 SENIORITY**

- 9.01** Seniority shall be defined as the length of service with the Employer.
- 9.02** A seniority list shall be posted by the Employer on notice boards by May 1st. Copies to be sent to the Union.
- 9.03** Any employee disagreeing with her/his standing may refer it to the Grievance Procedure.
- 9.04** An employee shall not lose her/his rightful Employment Seniority standing if s/he is absent from work because of sickness, accident, or leave of absence approved by the Employer. If an employee transfers in the Employer's service outside the bargaining unit, s/he shall retain her/his rightful Seniority standing in the position from which s/he was transferred. An employee returning to the bargaining unit shall be subject to the agreement of the Union.

- 9.05 When an employee is granted a leave of absence without pay of over twenty (20) working days for other than Union business, time absent shall be deducted from her/his Employment seniority standing, unless otherwise determined subsequent to consultation at the Labour/Management Committee. Notice will be provided to the Union prior to any leave granted.

ARTICLE 10  
**JOB POSTING & VACANCY**

10.01

- (a) Where the Employer determines that a vacancy exists it will be posted within seven (7) working days. The Employer agrees to post notice of such vacancy for a period of ten (10) working days. The posting shall state the location, department and section where the vacancy exists. A copy of the posting will be sent to the Union. On request, the Human Resources Department explains to an unsuccessful applicant the reason s/he was not selected.
- (b) If the above position(s) cannot be filled by an Inside Bargaining Unit employee(s) the Outside Bargaining Unit employee(s) will be considered.
- (c) The name of the successful employee(s) will be posted within thirty (30) days of the selection.
- (d) The requirement to post notice of such vacancy is waived when an employee is placed in a vacancy under the Job Security Article and/or Technological Change Article, Retrogression Article, Accommodation Article and the Long Term Disability Article. Employees placed under the Long Term Disability Article will not be placed in posted vacancies.
- (e) Posted vacancies shall be offered to the senior incumbent(s) who has applied for the position within their same classification, either:

- (i) at a different location in the same Department; or
- (ii) a different Department at the same location;  
or
- (iii) a different Department at a different location;  
before consideration of other applicants.

In all cases, transfers shall be subject to the incumbent(s) having a current Performance Appraisal rated “Good” or higher and shall not negatively impact operational efficiency, productivity and customer service.

#### Relative Experience

- 10.02 Relative Experience is experience adequate enough to enable the employee to perform the duties required.

#### Promotion

- 10.03 In all cases of permanent transfer (except Demotion Article 10.16) or promotion to positions within the bargaining unit, the following factors shall be considered:

- a) Current Performance Appraisal rated “Good” or higher
- b) Qualifications
- c) Seniority

“Qualifications” shall include related experience rated as good or better, related education or an acceptable combination of both and, where applicable, a satisfactory physical condition and/or satisfactory completion of work test and/or acceptable ability to maintain a co-operative relationship with other employees and the public. Where the factors in (b) are relatively equal seniority shall govern.

If none of the applicants is qualified, the Employer may fill the job in its discretion.

- 10.04 Grievance(s) for senior unsuccessful applicant(s) may be initiated within fifteen (15) working days of the notice of appointment. The grievance shall be initiated at Step Three (3).

Classification Conditions

- 10.05 Where a new job is established, or where existing job duties are changed such that an employee is incorrectly classified, the appropriate classification, wage rates, wage ranges and progressions shall be negotiated and the applicable conditions of this agreement shall apply. If no agreement is reached on the wage rate and/or progression the matter may be submitted to arbitration. If a wage increase results, the same shall be retroactive to the date that the job duties were changed, or the new job created.

The Arbitrator established to rule on the grievance shall be restricted solely to determining the appropriateness of the wage rate as applicable to other related rates within the bargaining unit. The job classifications are as attached.

- 10.06 On transfer due to promotion, the following shall apply:

Employee shall receive an increase as follows:

- (a) If the present rate is below minimum rate of new classification, s/he shall receive minimum rate of new classification; new anniversary date.
- (b) If present rate is within the wage range of new classification, s/he shall receive a one-step increase, providing the maximum rate of the new classification is sufficiently higher to permit it; new anniversary date.

- 10.07 On transfer from 40 hour to 35 hour week classification, the following shall apply:

- (a) If the employee's rate is below maximum of new classification s/he enters, s/he shall transfer laterally with new anniversary date and no progression increase.
  - (b) If the employee's rate is in excess of the rate of the new classification, and her/his probationary period in the current classification has not been completed, then the minimum rate of the new classification shall be paid. If the probationary period has been completed, s/he shall receive one-step below the maximum rate of the new classification.
  - (c) If the employee's rate is below the minimum of the new classification, s/he shall receive the minimum rate of the new classification and progress in the usual way; new anniversary date.
  - (d) If the employee's rate is similar to maximum of the new classification, s/he shall receive one-step below the maximum rate of the new classification.
- 10.08 On transfer from 35 hour to 40 hour week, the employee shall receive a step for the additional hours provided the new maximum is sufficiently higher to permit.
- 10.09 Notwithstanding the above, no employee may receive the maximum rate of a position until s/he has been performing satisfactorily in the position for six (6) months.



## Probation

### 10.10

- (a) Status of an employee is probationary in a new classification for a period of five (5) months' work in that new classification. Any time after thirty (30) days of entry, until the employee completes her/his probationary period, it may be determined by the employee's Performance Appraisal that the employee is unsatisfactory in the new classification and is to be reverted to immediate previous classification and rate without loss of seniority.
- (b) Such employee who successfully bids for a posted bargaining unit position, shall be given an opportunity to revert to her/his former position and conditions if s/he so requests within six (6) weeks, from date of assumption of new duties with the exception of shift workers who will have twelve (12) weeks.

10.11 Probationary period for a new employee is six (6) months' work.

10.12 Employee participation in the pension plan will commence on date of hire.

10.13 In the event the returning employee, referred to in Article 10.10 (b), causes displacement of other employees, such displacement would necessitate the return of such employees to their former positions.

10.14 New employees in their probationary period shall be permitted to transfer to one other job classification during the probationary period. Additional transfers may be permitted subject to consultation by the Labour/Management Committee.

10.15 Should there be no eligible applicants for a permanent transfer, Article 10.14 will not apply.

### Demotion

- 10.16 An employee demoted shall revert to her/his immediate previous classification and be ineligible for two (2) years for vacancies or relief in the position from which they were demoted and from any position with a maximum pay rate equal to or greater than the position from which they were demoted.

She/he retains the right to apply for any other vacancy.

An employee demoted or reverted to a former grade retains seniority in the lower grade.

In the event the demoted employee causes displacement of other employees, the Employer will not be required to provide notice to the displaced employees. The displaced employee(s) will maintain her/his present wages for a period of twelve (12) months.

- 10.17 When a Driver's Licence is required to discharge a responsibility of a classification and when the Driver's Licence of an employee in such classification is suspended for not more than twelve (12) months, the employee shall be occupied as determined by the Employer and her/his wage rate during such period shall be reduced by one step. When the employee regains the Driver's Licence, s/he shall be allowed to return to her/his former classification and wage rate. If the loss of the licence is for a period in excess of twelve (12) months, the employee may be demoted as per provision 10.16.
- 10.18 Provisions 10.16 and 10.17 above do not apply to new probationary employees.

### Job Descriptions

- 10.19 All Wage Classifications listed in Schedule I shall have job descriptions, summarizing the present duties and responsibilities pertaining to the jobs covered in this Agreement. The job descriptions shall be contained in a separate book forming part of this Agreement. New job descriptions or changes to existing descriptions shall be discussed through the Job Description Consultation Committee composed of three (3) members each of Union and Employer representatives. Any new job descriptions or changes to existing job descriptions which are in dispute may be made by the Employer in accordance with the Management Rights Article of this Agreement.
- 10.20 All job descriptions that are not agreed upon may be subject to the Grievance Procedure in accordance with the Collective Agreement.
- 10.21 The cost of the Committee shall be at the Employer's expense and any preparation time will be agreed upon by the Co-Chairs.

## **ARTICLE 11 LAYOFF & RECALL**

- 11.01 Layoff: Is unemployment due to work shortage. Service with the Employer is the basis upon which seniority is established in the event of layoff or recall – insofar as there is not interference with the Employer's operation and employees are given ninety (90) days' notice.
- 11.02 Recall: Entitlement is limited to twenty-four (24) months from date of layoff and is voided by:
- (a) Refusal of vacancy.
  - (b) Failure to report intention to return within fourteen (14) days of registered mailing of recall.

- (c) Failure of availability for work within thirty (30) calendar days of registered mailing of recall.
- 11.03 Certificated illness can be accepted as reason for excuse from requirements in Articles (b) and (c) or other reasons which will be considered justifiable.
- 11.04 It shall be employee's responsibility to keep the Employer notified of present address.
- 11.05 Employee recalled shall be entitled to all privileges and conditions which s/he enjoyed at the time of layoff or as amended under the Agreement.
- 11.06 No new employee(s) shall be hired until all laid off employees have been given the opportunity to return to work to fill vacancies for which they are qualified.

#### Severance Pay

- 11.07 Severance Pay will be paid to employees who have had more than three (3) years of employment and are laid off due to shortage of work. For each week of continuous layoff, up to a maximum number of weeks equal to the number of years of service, the employee will receive one week's straight-time pay.

### **ARTICLE 12 TEMPORARY TRANSFER**

#### Relief-Short Term

- 12.01 When relief is required on a short term basis (less than 2 weeks) it will be offered to the senior qualified employee available in the Department, Location and District whichever is most operationally convenient.

Relief rates shall be paid as per Article 12.03.

### Relief-Long Term

- 12.02 Long term relief (more than 2 weeks) will be offered to the senior qualified available employee in the Department/District.

Relief rates shall be paid as per Article 12.03.

- 12.03 When the Employer determines that relief is required and that relief is to be provided by another bargaining unit member, relief shall be by the senior qualified employee within the section. If no employees are qualified within the section, the relief shall be offered to the senior qualified employee within the Department. If no employees are qualified within the Department, the Employer may fill the relief requirement at its discretion. An employee relieving in a classification other than her/his own that is included in this Agreement shall receive the rate s/he is receiving in her/his own classification except where the maximum of the relief classification is higher than the maximum of her/his own classification. In this case, the relieving employee shall receive a one-step increase or the minimum of the higher classification, whichever is greater, for the time worked.

Time spent by relief employees required to attend meetings, training, or other employer-related business shall be considered time worked. When such meetings, training or other employer-related business is scheduled on a full day basis, employees must relieve the day before and the day after to qualify for the relief rate.

- 12.04 Days accumulated in relief do not supersede classification seniority for promotion.
- 12.05 The Employer shall not assign relief to a shift employee during her/his scheduled days off except in an emergency.

- 12.06 Once it is arranged to relieve a shift employee who has reported necessity for absence due to illness or other cause, the arranged relief employee takes the shift and the relieved employee remains absent.
- 12.07 A regular shift employee, who has been notified in advance of requirement to relieve in a higher classification, shall not be called upon to work a Public Holiday in her/his regular work week on shift, except in cases of emergency.
- 12.08 Any shift employee working on a shift schedule shall not be available for relief in a higher classification on her/his regular off-days except in an emergency.

Temporary Transfer Outside the Bargaining Unit

- 12.09 An employee transferred to a position outside of the bargaining unit shall receive a six percent (6%) increase for the time worked in the position.
- 12.10 Supervisor – by the senior qualified employee in the section relative to the position. A six percent (6%) increase is paid for time worked.

12.11 Work Assignment

Human Resources will notify the Union, in writing of all Work Assignments prior to commencement. Where an extension of the Work Assignment is required, Human Resources will provide advance notice of the extension to the Union. Human Resources will provide communication on the application of the Work Assignment process to management staff. First consideration will be given to the senior qualified employee(s).

The Employer agrees to consult with Union at the Labour/Management Committee prior to assigning an employee, with the employee's consent, to work on a special assignment as directed by the Employer for periods not to exceed three (3) months each period. Such employees shall continue to receive their present rate of pay or the minimum of the new classification, whichever is greater, plus any additional or general increase, retention of their seniority and accumulation of seniority.

- 12.12 The Employer agrees to consult with the Union at the Labour/Management Committee prior to transferring an employee, with the employee's consent, to another classification for periods not to exceed three (3) months each period, for the purpose of utilizing her/his applicable abilities. The transferred employee will continue to receive her/his present rate of pay or the minimum of the new classification, whichever is greater, plus any additional or general increase, and retention of their seniority rights and accumulation of seniority.

## ARTICLE 13

### **LEAVES OF ABSENCE FOR UNION BUSINESS**

- 13.01 Leave of absence shall be granted to Union officials for Union business when requested, providing such leave does not interfere with Employer operation. The decision as to whether the Employer's operation is disrupted is at the Employer's sole discretion. The Union is required to provide the Employer with three (3) working days' notice on request for leave of absences under this Article. Under unusual circumstances, a shorter notice period will be considered. Approval for such request will not be unreasonably withheld.

- 13.02 Leave of absence will be granted for two (2) full-time officers of the Union on the understanding that upon returning to work s/he will be reinstated and offered required training in her/his previous position or such other position s/he would have occupied had s/he not been on leave of absence, provided that s/he is qualified. In the event that the return of the Union officer causes displacement of other employees, the Employer will not be required to provide notice, maintenance of wages, or other payments to the displaced employees.
- 13.03 Time absent from work by Union representatives in attendance at all meetings with the Employer or its representatives shall be paid for by the Employer.
- 13.04 Union official, when off on Union business, the whole cost of wages and benefits shall be maintained by the Employer. The Union shall reimburse the Employer the whole cost of wages and benefits by the 15th of the month following the month in which detailed billing is received.
- 13.05 Employees granted leave of absence without pay except under provisions 13.01, 13.02 and 13.06 and absence covered by WSIB shall reimburse the Employer the full cost of medical, hospital and insurance coverage for the period of absence. During such leave the employee shall not be entitled to the following benefits contained under this Collective Agreement:

Bereavement Leave, Jury and Witness Duty and Sick Pay Credit.



Sick Leave may be substituted for leave of absence where the employee has established to the satisfaction of the Employer a serious illness or serious injury due to an accident occurred while on leave of absence.

13.06 The Employer may following consultation with the Labour/Management Committee, grant an employee an absence with leave without pay for full time Union or public duties. Requests for such leave must be in writing. During the absence the employee will not accumulate seniority nor be entitled to the benefits of the Agreement. Medical, hospital, pension and insurance coverage may be continued during the absence where it is agreed that the employee will reimburse both the employee's and Employer's full cost of such coverage to the Employer. Upon returning to work s/he will be reinstated in her/his previous position, provided that s/he is qualified. In the event that the return of such person causes displacement of other employees, the Employer will not be required to provide notice, maintenance of wages, or other payments to the displaced employees.

13.07 The employees constituting the Union Bargaining Committee shall be given time off during working hours without loss of pay or seniority while actually attending such negotiation meetings with the Employer, and without payment of overtime.

The Employer will provide a maximum of three (3) days each, for up to six (6) Union Bargaining Committee members, to be used for contract negotiations preparation time. Arrangement for time off will be made through the Human Resources Department.

- 13.08 An employee shall be granted up to three (3) working days per contract year to care for ill dependents. The employee shall notify her/his Department as close as possible to the start of the work day of the need to be absent. Such leave will be charged against the employees accumulated sick pay credit and must be taken on a full day basis.

For employees working other than an eight (8) hour day the number of hours scheduled for the day on which the absence occurs shall be considered one (1) day for the purpose of this Article.

Union Health and Safety Representative

- 13.09 Leave of absence will be granted for one (1) Union Health and Safety Representative (as selected by the Union within either bargaining unit to represent all members of the Union) on the understanding that upon returning to work s/he will be reinstated and offered required training in her/his previous position or such other position s/he would have occupied had s/he not been on leave of absence, provided that s/he is qualified. In the event that the return of the Union officer causes displacement of other employees, the Employer will not be required to provide notice, maintenance of wages, or other payments to the displaced employee.
- 13.10 The whole cost of wages and benefits of the Union Health and Safety Representative shall be maintained by the Employer. The cost of wages shall be at the Journeyperson rate, or the employee's normal wages whichever is greater. At the end of the leave, the person may return to her/his previous position. Where a scheduled increase or progression occurs during the absence, the employee will receive such increase or progression and any other general rate increase.

The Union shall reimburse the Employer the whole cost of wages and benefits by the 15<sup>th</sup> of the month following the month in which detailed billing is received for all time spent by the Health and Safety Representative on business other than Toronto Hydro/Local One Health and Safety business.

- 13.11 Leave of Absence for the Union Health and Safety Representative shall be considered time worked for the purpose of calculating seniority.

Self-Funded Leave Plan

- 13.12 The Employer agrees to establish an employee-financed absence with leave plan to permit employees to be absent for a period of either six (6) months or one (1) year. Application for this leave must be in writing to Human Resources and be at least two (2) years in advance for the six (6) month leave and four (4) years in advance for the one (1) year leave. Approval of leave is at the Employer's discretion.

The terms and conditions of the plan are subject to consultation with the Labour/Management Committee.

New Member Interview

- 13.13 The Employer agrees that within four (4) weeks of date of hire the Union will be provided with the opportunity to meet with new employees, for a period not to exceed thirty (30) minutes, for the purpose of acquainting the new employee with the benefits and duties of Union membership. New employee group will not exceed six (6) members. The cost of Union representation will be at the Union's expense.

**ARTICLE 14**  
**ABSENCE WITHOUT LEAVE**

- 14.01     Absence without leave is failure of employee to report on absence from work in accordance with rules of her/his Department and employee absent without leave has left the employ of the Employer with reinstatement dependent upon provision in writing to the Employer of satisfactory reasons for absence.

**ARTICLE 15**  
**BULLETIN BOARDS**

- 15.01     Bulletin Boards provided by the Union, will be erected in such locations as are mutually acceptable to the Employer and the Union.

**ARTICLE 16**  
**JURY & WITNESS DUTY**

- 16.01     Where an employee is summoned or serving as a juror or subpoenaed as a witness in any criminal or civil action, there shall be no loss of pay or seniority incurred. The Employer will make up the difference between any fee paid to the employee as a witness or juror and her/his normal rate of wages for the period during which s/he served as a juror or witness.
- 16.02     When an employee is required to serve as a subpoenaed witness outside of her/his regular working hours, and requirement to serve resulted directly from her/his employment with the Employer, s/he shall be paid the difference between her/his witness fee and her/his appropriate overtime rate plus travel time.
- 16.03     Provisions 16.01 and 16.02 do not apply to employees subpoenaed by the Union.

**ARTICLE 17**  
**BEREAVEMENT LEAVE**

- 17.01 An employee shall be granted bereavement leave, without loss of straight-time pay, of:
- (a) Up to five (5) consecutive working days to assist with arrangements and/or to attend the funeral, in case of death of the employee's parent, step-parent partner/spouse or child and step-child.
  - (b) Up to three (3) consecutive working days to assist with arrangements and/or to attend the funeral in case of death of employee's brother, sister, grandparent, parent-in-law, grandchild, or relative residing in the employee's home.
  - (c) The day of the funeral for attendance at the funeral in the case of the death of the employee's brother-in-law, sister-in-law, son-in-law or daughter-in-law, or upon Employer's approval for a relative other than those listed above.
  - (d) Consideration may be given for an extension of time under abnormal circumstances or if extensive travel is necessary. It is understood that weekends or scheduled 'off' days are not included in entitlement of consecutive working days.
- 17.02 The President of the Union or a delegate is permitted without loss of pay to attend funeral of Union members and retired Union members; it is required that arrangements be made beforehand with the Department Head.
- 17.03 Up to six (6) employees are permitted without loss of pay to serve as pall-bearers at a funeral of fellow employee or retired employee.

- 17.04 When an employee is on vacation, or sick and death of relative listed in Article 17.01 occurs, that portion of the employee's time resulting from the bereavement and in accordance with the provisions of Article 17.01, shall be changed from vacation or sick to bereavement leave. Employee is required to notify her/his Department immediately on receipt of notification of a death.
- 17.05 For employees working other than an eight (8) hour day, the number of hours scheduled for the day on which the absence occurs shall be considered one (1) day for the purpose of this Article.

## ARTICLE 18

### **SAFETY FOOTWEAR ALLOWANCE**

- 18.01 The Employer will supply the safety equipment it considers necessary to protect employees and the public, at no cost to the employees, except safety footwear which shall be provided as follows.
- 18.02 Inside employees who are designated by the Employer, as required to wear safety footwear, shall be allowed up to \$170.00 per contract year to obtain and maintain safety footwear that has been approved by their immediate Supervisor.
- An employee is allowed to carry over any unused portion of the allowance into the following contract year. Carryover shall not exceed that contract year's entitlement.
- 18.03 Safety footwear shall be that manufactured for the purpose, and be of good quality and proper style and employees shall not be permitted to work unless they are wearing the safety footwear.
- 18.04 The Employer shall pay the full cost for the purchase, replacement or repair of safety footwear that an employee must have made-to-measure.

**ARTICLE 19**  
**PUBLIC HOLIDAYS**

**19.01**

- (a) Public Holidays shall be New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, July 1st, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day, Heritage Day if proclaimed.
- (b) Each regular employee shall be entitled to three (3) additional days holiday with pay during the calendar year and such day(s) shall be mutually agreed to by the Supervisor and employee. However, a request to take such a holiday on Remembrance Day will be granted. These days may be taken in half days.

For employees working other than an eight (8) hour day, the number of hours scheduled for the day on which the absence occurs shall be considered one (1) day for the purpose of this clause.

For those employees working a compressed work week/AWS the number of hours deducted when using an additional day shall be the number of hours scheduled to be worked.

One of the above additional days will be designated by the Employer by December 1st of the previous year. This designated day will be immediately before or after a Public Holiday unless otherwise determined subsequent to consultation at the Labour/Management Committee. Should this day not be designated by the Employer the day may be taken subject to the convenience of the Department and applies only to employees who have completed three (3) months of continuous service.

The benefit of the second and third additional days must be taken within the calendar year it is granted, applies only to employees who have completed three (3) months' continuous employment service, and is taken at the request of the employee and subject to the convenience of the department.

- 19.02 When Christmas, New Year's Day or July 1st falls on a Saturday or Sunday, the following Monday shall be observed as the Public Holiday. When Christmas falls on a Saturday or Sunday, the following Tuesday shall be observed as the Boxing Day Public Holiday. When Christmas falls on a Friday, the following Monday shall be observed as the Boxing Day Public Holiday.
- 19.03 A shift employee scheduled to work on any observed Public Holiday shall be allowed one day in lieu for the Public Holiday except when permitted to take the day off as a Public Holiday. When a shift employee's scheduled day off falls on an observed Public Holiday the employee shall receive one day in lieu. A shift employee shall be allowed to accumulate lieu days for a period of twelve (12) months from date earned.
- 19.04 It is understood and agreed, however, that employees are not entitled to pay for Public Holidays as set out above, when they are absent, without pay, on either the work day before or the work day after the Public Holiday, except in cases of employees absent on Union business.
- 19.05 Employee required by schedule to work on a Public Holiday but unable to do so because of illness shall be paid at straight time rate from her/his sick pay credit for the Public Holiday and shall be allowed the lieu day as in Article 19.03.
- 19.06 When a Public Holiday occurs during a vacation period, that day shall be charged to "Public Holiday" and not to employee's vacation time.



## ARTICLE 20 VACATION

- 20.01 Vacation is allowed in calendar year of engagement at one (1) day for each complete calendar month to total of ten (10) days.
- 20.02 In and from calendar year following engagement fifteen (15) working days of vacation is allowed.
- 20.03 In and from calendar year in which is completed six (6) years of employment service, twenty (20) working days of vacation is allowed.
- 20.04 In and from calendar year in which is completed fifteen (15) years of employment service, twenty-five (25) working days of vacation is allowed.
- 20.05 In and from calendar year in which is completed twenty-five (25) years of employment service thirty (30) working days of vacation is allowed.
- 20.06 Vacation is arranged at the convenience of the Department. One third of the employees in a Section within a Department who may be required in a System emergency may be absent on vacation at the same time during the period from the weekend immediately prior to July 1st to the weekend immediately after August 31st. Employees are permitted two (2) weeks of vacation during July and August.
- 20.07 An employee shall be allowed to carry over any portion of one (1) year's vacation.
- 20.08 Vacation arranged as carry-over is paid at rate and under conditions applicable when vacation is taken.
- 20.09 Shift employees are permitted absence of nine (9) consecutive days on arrangement of one (1) week's vacation and sixteen (16) consecutive days on two (2) weeks' vacation.

- 20.10 Sick leave may be substituted for vacation where the employee has established, to the satisfaction of the Employer, that a serious illness or serious injury due to accident occurred while on vacation.
- 20.11 When employment is terminated, other than in the year of normal retirement and vacation taken has exceeded the vacation credit, the overpayment will be recovered by the Employer.
- 20.12 In the year of retirement, the full year's vacation is allowed.
- 20.13 The Employer will reply to a vacation request within ten (10) working days of receipt of such request, provided that the request is made within, but not prior to, three (3) months of the requested vacation.

## ARTICLE 21

### **DRIVER'S LICENCE, TRADE & PROFESSIONAL FEES**

#### Driver's Licence

- 21.01 The cost of Driver's Licence for employees who are required to operate System vehicles, and employees who are authorized to operate their own automobile, shall be paid by the Employer.

The cost of medical exams for those employees required to have an AZ licence will be paid for by the Employer.

### Trade & Professional Fees

- 21.02 The Employer shall pay up the full cost of the annual renewal of Auto Mechanic Licence fees, annual membership fee for Technicians to maintain OACETT membership, and any fees related to a trade certification recognized by the Apprenticeship Act of Ontario or any annual membership for Professional or Trade Certification under the Apprenticeship Act of Ontario so long as such membership is required as a condition of employment by the Employer.

## ARTICLE 22 **WORK CLOTHING**

- 22.01 Overalls, coveralls, quilted bib overalls, parkas, gloves and pants and shirts when appropriate, are supplied to employees whose work requires such and return of worn-out article may be necessary, as determined by the Employer, to obtain a replacement. The Employer will make a reasonable effort to make work clothing available.

## ARTICLE 23 **TOOL REPLACEMENT**

- 23.01 The Employer shall provide tools necessary for employees to carry out their duties. Broken or worn out tools must be turned in before replacement is made. A reasonable explanation must be provided to her/his Supervisor for lost tools.

**ARTICLE 24**  
**HEALTH, WELFARE & INSURANCE BENEFITS**

Pregnancy, Adoption, Parental and Family Medical Leave

Provision of Leave

- 24.01 Pregnancy, Parental and Family Medical Leaves will be granted to employees under the terms of the Employment Standards Act of Ontario.

Pregnancy Leaves shall be granted for up to seventeen (17) weeks in duration and may begin no earlier than seventeen (17) weeks before the expected birth date.

Parental Leaves shall be granted for up to thirty-five (35) weeks in duration for an employee taking pregnancy leave and shall, in all cases, be taken when her pregnancy leave ends unless the child has not yet come into her custody, care and control for the first time.

Parental Leave, which includes adoption leave, shall be granted for up to thirty-seven (37) weeks in duration for employees not taking pregnancy leave and shall, in all cases, begin no later than fifty-two (52) weeks after the day the child is born or comes into the parent's custody, care and control for the first time.

Protection of Benefits, Seniority, Pensions

- 24.02 During a Pregnancy or Adoption Leave the Employer shall pay the full cost of the employee's medical, hospital and insurance coverage and the Employer's portion of the employee's pension plan coverage if the employee elects at the commencement of the leave to pay the employee portion of such costs.

During a Parental or Family Medical Leave the Employer shall continue to pay the full cost of the employee's medical and hospital coverage and the Employer's portion of the employee's pension plan coverage and insurance coverage if the employee elects at the commencement of the leave to pay the employee portion of such costs.

Seniority, for all purposes, shall accrue during the period of Pregnancy, Adoption, Parental or Family Medical Leave.

#### Wage Top-Up for Pregnancy Leave

- 24.03 In the case of a Pregnancy Leave, the Employer will provide payment equal to 95% of base pay during the two (2) week E.I. waiting period and the difference between the payments received from E.I. and 95% of the employee's normal, straight-time pay for fifty (50) weeks, subject to continued government legislation and approval.

#### Maintenance of Wages for Adoption Leave

- 24.04 In the case of an Adoption Leave for the primary caregiver, who has adopted a child under six (6) years of age, who is not the natural child of either adoptive parent, the Employer will provide payment equal to 95% of base pay for two (2) weeks and 95% of her/his normal, straight-time pay for up to thirty-five (35) weeks.

#### Maintenance of Wages for Parental Leave

- 24.05 In the case of a Parental Leave, the Employer will provide payment equal to 95% of base pay during the two (2) week E.I. waiting period and the difference between the payments received from E.I. and 95% of the employee's normal, straight-time pay for thirty-five (35) weeks, subject to continued government legislation and approval.

### Maintenance of Wages for Family Medical Leave

- 24.06 In the case of a Family Medical Leave to provide compassionate care and support to the family member specified in the medical certificate, the Employer will provide payment equal to 95% of base pay during the two (2) week E.I. waiting period and the difference between the payments received from E.I. and 95% of the employee's normal, straight-time pay for six (6) weeks, subject to continued government legislation and approval.

### Spousal Leave at Time of Birth or Adoption

- 24.07
- (a) An employee whose spouse or partner gives birth, or commences an Adoption Leave, shall be granted leave with pay and full benefits, of two (2) working days. The leave shall be taken on days chosen by the employee, at or about the time of birth or adoption.
  - (b) For employees working other than an eight (8) hour day the number of hours scheduled for the day on which the spousal leave occurs shall be considered one (1) day for the purpose of this clause.

### Reinstatement

- 24.08 The Employer shall reinstate an employee returning to work from a Pregnancy, Adoption, Parental or Family Medical Leave in the position most recently held with the Employer, or provide the employee with alternative work of a comparable nature at not less than the employee's wages at the time the leave began, or as adjusted by any general increase, and without loss of benefits accrued to the commencement of the Leave of Absence and with full seniority.

Where a scheduled increase or progression occurs during the absence, the employee will receive such increase or progression upon satisfactory demonstration of competency during a trial period of thirty (30) days.

## Medical & Hospital Services & Dental Plan

24.09

- (a) Equal or superior coverage to present practice, i.e., Ontario Health Insurance Commission, Plan for Supplementary Hospital Care and Extended Health Care Plan shall be continued. Where an employee is entitled by the provisions of the Health Insurance Act to receive Ontario Health Insurance Plan protection without cost, such coverage will not be provided by the Employer.
- (b) Effective February 1, 2009, and for each consecutive two (2) year period following thereafter, the Extended Health Care Plan coverage for eyeglasses and/or contact lenses shall be \$400.00 per person covered, for the two (2) year period commencing February 1, 2009, and the \$1.00 prescription plan will continue.

Effective February 1, 2012, and for each consecutive two (2) year period following thereafter, the Extended Health Care Plan coverage for eyeglasses and/or contact lenses shall increase to \$450.00 per person covered, for the two (2) year period commencing February 1, 2012, and the \$1.00 prescription plan will continue.
- (c) Effective February 1, 2006 coverage for the cost of an eye exam for a two (2) year period or one (1) year period for dependent children under the age of twenty-one (21), if prescribed by a medical practitioner, up to a maximum of \$80.00 per person.
- (d) Effective February 1, 2009 and for each consecutive two (2) year period following thereafter, coverage for the cost of Retinal Imaging up to a maximum of \$50.00 per person.

- (e) Services of a licensed Physiotherapist up to a maximum of \$150.00 for the initial visit and \$70.00 per subsequent visit to an unlimited maximum for services provided inside Canada and \$60.00 per hour for services outside Canada.
- (f) Effective February 1, 2009, services of a licensed Chiropractor (including X-rays) up to a maximum of \$400.00 per person per contract year.  
  
Effective February 1, 2012, services of a licensed Chiropractor (including X-rays) up to a maximum of \$450.00 per person per contract year.
- (g) Services of a licensed Osteopath, Chiropodist or Podiatrist, Registered Massage Therapist, up to a maximum of \$50.00 per visit per person, Psychologist, Naturopath, Speech Therapist and Dietician up to an overall maximum of \$850.00 per person per contract year, payable only after OHIP ceases to pay any portion of the expenses.
- (h) Effective **February 1, 2014** coverage for cost of hearing aids **including repairs and batteries** up to **\$3,500.00** lifetime maximum.
- (i) In the event of death of an active Toronto Hydro employee, the surviving spouse and dependents shall continue to receive full medical and hospital services coverage at the Employer's expense for a period of two (2) years.



(j) When an active employee dies as a direct result of a physical injury suffered on the job or occupational disease directly related to their employment with Toronto Hydro and the claim is accepted and paid for by the WSIB, the Surviving Spouse and the dependent children under the age of twenty-one (21) or as defined in 24.09 (k) shall continue to receive full medical and hospital services coverage at the Employer's expense for fifteen (15) years or until normal retirement age of the deceased employee whichever is less. The provision of this Article shall be retroactive to February 1, 1991. This dependent children benefit ceases after age 21 or age 25 if attending a recognized post secondary institution. Where benefits are received under this Article, Article 24.09 (i) shall not apply.

(k) Medical and Hospital Services coverage will include unmarried dependent students who are in full time attendance at a recognized post-secondary institution up to age twenty-five (25).

24.10 The Employer will pay the premium based on the prevailing Ontario Dental Association fee schedule necessary to provide equal or superior coverage to the present dental plan.

Effective February 1, 2006, the Dental Plan includes fixed prosthodontic (including implants) services on a 50% co-insurance basis.

The Dental Plan will include orthodontic services on a 50% co-insurance basis to a maximum of \$4,000 per employee and \$4,000 per family member covered once in a lifetime.

24.11 The Union will be advised of the names of the carriers. Carriers will be for the term of the Agreement, in so far as practicable.

- 24.12 If the Employer contemplates a change in Carriers of any of the above plans during the life of this Agreement, the Employer agrees to give notice and provide the Union with a copy of the proposed carrier's plan(s) so that the Union will be assured of identical coverage prior to the implementation of the proposed carrier's plan.

#### Long Term Disability

- 24.13 The Employer agrees to enter into an arrangement with an Insurer licensed under the Insurance Act to provide a Long Term Disability Plan.

All employees of the Employer become eligible for membership in the plan on or after the effective date of the plan.

#### Definitions

For purposes of the plan, the meaning of each of the following terms is limited to the definition shown.

- (a) Total Disability – An employee shall be totally disabled, or Total Disability shall exist, when the employee is not engaged in any occupation or performing any work for compensation or profit and is suffering from such a state of bodily or mental incapacity resulting from injury or disease as would,
  - (i) During the Elimination Period specified below and during the next following twenty-four (24) months, prevent the employee from performing any and every duty pertaining to her/his normal occupation and,
  - (ii) If Total Disability has continued during such Elimination Period and during the next twenty-four (24) months, then during the continuance of such disability, wholly prevent such employee for compensation or profit, from engaging in any occupation and performing any work at Toronto Hydro for which the employee is reasonably qualified by education, training or experience.

- (b) The Elimination Period for all employees is a minimum of six (6) months continuous absence from the date an employee first becomes disabled.

Employees shall be granted the option of utilizing all or part of accumulated sick pay credits to increase the elimination period.

Employees who run out of sick pay credits will be granted sick leave without pay until such time as the Long Term Disability Elimination Period elapses.

Employees shall maintain all rights and benefits of the Collective Agreement during the Elimination Period.

#### Benefit Schedule

An employee who is a member of the plan may become eligible for not more than the maximum Monthly benefit amount, calculated in accordance with the applicable Benefit Formula which is indicated below:

#### Benefit Formula

Effective no later than 45 days from the date of ratification of this agreement, 75% of the employee's basic monthly earnings, to a \$5,500 monthly benefit maximum.

Amounts of employee's monthly benefit which are not integral multiples of \$1.00 are rounded to the next higher dollar.

All benefit coverage provided by Article 24 of the Collective Agreement will continue while receiving payments on the plan.

### Vacation

Vacation entitlement will be paid to the employee at the end of the year in which they commence to receive Long Term Disability benefits based on full payment of any carryover from the previous year and pro-rated for the current year to the time of commencement of Long Term Disability benefits.

### Effective Date

The date that the Agreement with the Insurance Company comes into force which will be within six (6) months of ratification of the Collective Agreement.

### Rehabilitative Employment

If an employee becomes capable of working after thirty (30) months of disability leave, s/he will be offered a position at Toronto Hydro for which s/he is reasonably fitted by training, education or experience. The employee would be paid the greater of the job rate or the amount equivalent to the Long Term Disability payment. If the Long Term Disability payment is greater than the job rate, the employee would continue to receive such rate until the job rate, through general increases, matches the Long Term Disability amount. Thereafter, the employee will receive any future general increases.

In the event the employee rejects the offer of rehabilitative employment, s/he forfeits all rights to Long Term Disability benefits.

The position offered shall be discussed at the Accommodation Committee and shall be first within the employee's own bargaining unit. If there is no position within the employee's bargaining unit, consideration will be given to placing the employee in the Outside bargaining unit.

### Sick Pay Credit

Accumulated sick time will be granted under the following conditions:

- 24.14 With supporting medical certificate when required by the Employer which shall be at least when continuous absence due to illness is more than three (3) full working days. The medical certificate shall include prognosis and anticipated date of return and any restrictions. The medical certificate shall be sent directly to the Health Centre.
- 24.15 After ten (10) continuous days of absence due to illness the Employee must provide the Health Centre with a fully completed Attending Physician Statement that consents to release medical information to the Health Centre and allows communication with the Attending Physician.
- 24.16 Employee shall be at home, in hospital, or at doctor's when visited by the Employer's representative.
- 24.17 Employee has notified her/his Department of necessity for absence as follows:

#### Non-Shift

Within thirty (30) minutes of normal start time of first day of absence.

#### Shift

- (a) By one (1) hour before day shift start.
  - (b) By three (3) hours before afternoon and evening shift start.
- 24.18 Cumulated credit is allowed for service from January 1st, 1925. One day is allowed for each complete calendar month remaining in first calendar year of employment to a total of ten (10) days.

One-and-a-half (1½) days are allowed for each complete calendar month of continuing employment from January 1<sup>st</sup> of the year following date of employment to a maximum of sixteen (16) days. Employees engaged prior to January 1st, 1962, do not receive less favourable consideration than under the earlier regulations which are continued at the discretion of the President/CEO with allowance as follows:

to 8 years of service.....	24 days,
In excess of 8 and less than	
20 years.....	48 days,
20 years of service.....	72 days.

- 24.19 At the discretion of the Employer, additional grants may be given.
- 24.20 Employee absent due to illness is permitted allowance of sick pay to the limit of net accumulated credit as of the end of that calendar year with deduction of the allowance from sick pay credit accumulation. In the calendar year following a full calendar year of employment in which an employee has worked less than six months, sick pay is allowed to the limit of net accumulated credit as of the end of each completed calendar month.

Effective February 1, 1982 absence due to accident or illness accepted and paid for by the WSIB is not charged to sick pay credit; employee so absent is permitted allowance of such amount by the Employer as is necessary in supplement to the Board award to equate with her/his normal straight-time pay, for as long as s/he is employed by Employer. It is understood that this Article does not provide any retroactive payments prior to February 1, 1982.

Effective February 19, 1987, an employee who is absent due to a new accident or illness accepted and paid for by the WSIB will receive her/his normal straight-time earnings made up of the Board award and the Employer supplement but no employee is to receive additional monies including tax adjustment as a result of being absent on WSIB.

The Employer will advance full straight-time wages to an employee who has submitted a claim to the WSIB, prior to an award being granted. Should the WSIB reject the claim or should the employee elect not to claim compensation, the employee's time will be charged to her/his sick bank and any overpayment made will be recovered by the Employer within one (1) year.

- 24.21 The existing employees who have retained vesting rights as of January 31, 1999, upon termination of employment, by retirement on pension, there is paid an amount equal to the cumulated sick pay credit of the employee but such amount is not to exceed the aggregate amount of her/his remuneration for the following periods:

At least 10 years and less than 15 years - 3 calendar months;

At least 15 years and less than 20 years - 4 calendar months;

At least 20 years and less than 25 years - 5 calendar months;

At least 25 years - 6 calendar months.

- 24.22 Existing employees who have retained sick pay credit vesting rights as of January 31, 1999, upon termination of employment in good standing with at least 20 years of service and other than by retirement on pension, there shall be paid an amount equal to one-half of the employee's cumulated sick pay credit but such amount shall not exceed the aggregate amount of her/his remuneration for the following periods:
- At least 20 years and less than 25 years - 2 calendar months;
- At least 25 years - 3 calendar months.
- 24.23 Payment on account of deceased employee is to her/his dependents, if any; if there are no dependents, then to her/his estate.
- 24.24 New employees hired on or after February 1, 1999, will have no sick pay credit vesting right.
- 24.25 Employees of the former York Hydro will be given a one-time grant of sick pay credit of forty-five (45) days. As of January, 2000 they will accumulate sick pay credit on the same basis as in Article 24.18.

Sick Pay Credit Payout

- 24.26 Pay out of accumulated sick pay credits for employees who have vested sick pay credits (vesting rights) shall be as per the pay out provisions of their former Collective Agreements immediately before the amalgamation (January 1, 1998).



## Pensions

- 24.27 The basic pension plan is the OMERS Final Average Earnings plan implemented January 1, 1978 (as amended). Normal retirement is provided at age 65 with an unreduced early retirement allowed under OMERS Formula 90 (when the employee is within 10 years of normal retirement and her/his age plus credited service totals 90). There is available an early retirement option with a reduced pension. An early retirement option may be allowed under OMERS type 3 supplement for those employees eligible.

The Optional Service benefit shall be available to each employee who exercises her/his option prior to May 1, 1978, in accordance with the terms of the Agreement effective February 1, 1977. Any employee under age 65 wishing to take advantage of the Optional Service benefit must provide the Employer with six (6) months' notice of her/his intention to retire. Subject to Labour/Management consultation, this notice may be waived due to extenuating circumstances.

It is understood and agreed that employees taking early retirement under OMERS Formula 90 or otherwise shall provide the Employer three (3) months' notice of intent to retire.

When an active employee dies as a direct result of a physical injury suffered on the job or occupational disease directly related to their employment with Toronto Hydro and the claim is accepted and paid for by the WSIB, the surviving spouse or dependent children under the age of 21 where there is no spouse shall continue to receive the normal, straight-time earnings of the deceased employee in effect at the time of the employee's death for the next fifteen (15) years or until normal retirement age of the deceased employee whichever is less. Any payments paid shall be reduced by the amount paid or received under the OMERS Pension Plan, Canada Pension Plan, and WSIB. The provisions of this Article shall be retroactive to February 1, 1991.

When an employee is totally and permanently disabled as a direct result of an injury suffered on the job and the accident is accepted and paid for by the WSIB, the employee shall continue to receive the normal, straight-time earnings and benefits in effect at the time of permanent disability for one full year. Any payments or benefits received shall be reduced by the amount paid or received under the OMERS Pension Plan, Canada Pension Plan and WSIB.

## ARTICLE 25

### **LABOUR/MANAGEMENT COMMITTEE**

- 25.01 The Union and Management recognize that effective labour relations depend on co-operation and good communications between the parties. They will meet on a bi-monthly or as required basis if initiated by either party, subject to an agenda to resolve issues of common concern.

This consultative committee will operate in an open forum in which the free exchange of ideas will encourage understanding and lead to the resolution of issues.

The Employer and the Union agree that their senior representatives will meet to discuss matters of mutual interest, together with a secretary appointed by the Employer. Accordingly, the Committee shall have no authority to change, delete, or modify any terms of the Collective Agreement nor to settle grievances. It is the intention of the parties that this committee will work towards improving the relations between them and the employees they represent. Minutes shall be recorded and copy sent to each of the members within ten (10) working days of the meeting.

- 25.02 The Committee will consist of three (3) members of Management and three (3) members from the Union. Each party may bring up to two (2) “subject matter experts” to the meeting, depending on the issues to be discussed. Agenda items will be exchanged, in writing, five (5) working days prior to the requested meeting. Agenda shall mean new or unfinished business.

The Union Representative in attendance at the meetings shall be permitted to remain away from work for the remainder of the day. Time absent from work will be at the Employer’s expense.

## ARTICLE 26 **HEALTH & SAFETY**

The employer and the union acknowledge their joint and separate role and responsibilities under the Occupational Health and Safety Act.

- 26.01 Safety Committees relating to the Outside and Inside employees represented by the Union shall meet to discuss Health and Safety matters of concern. Toronto Hydro and C.U.P.E. Local One have established a two tiered Joint Union-Management Health and Safety Committee Structure. The two committee levels are Workplace Health and Safety Committees and Health and Safety Steering Committee.

#### The Workplace Committee

- 26.02 The Workplace Committees will have an equal number of Union and Management representatives not to exceed three each, unless as mutually agreed otherwise, and will have Co-Chairpersons. Each Committee will meet bi-monthly or more frequently with Joint Co-Chairpersons' approval.

#### Terms of Reference

The terms of reference for the Workplace Committees will include the following, as they apply to the area covered by each Workplace Committee.

- (i) Identify, evaluate and make recommendations regarding all matters pertaining to health and safety in the workplace covered by the Workplace Committee.
- (ii) Review and make recommendations on safety concerns which have been forwarded by the **Environment, Health and Safety** Department and unresolved Safety Concern Report forms from the employees covered by the Workplace Committee.
- (iii) Inspect the workplace, as required by the Occupational Health and Safety Act (Ontario), on the basis of one day every **month** in each area.
- (iv) The Union Co-Chairperson will be provided one day every two months as a pre-meeting preparation day.

- (v) The Union Committee members shall be allowed not less than two hours between the termination of the meeting and return to their normal duties for meals, clothing change, and travel. Time absent from work will be at the Employer's expense and shall not be charged to the grievance work order.
- (vi) Recommend to the Employer and the workers the establishment, maintenance and monitoring of programs, measures and procedures respecting the health and safety of workers.
- (vii) Obtain information from the Employer respecting the identification of potential or existing hazards of materials processes or equipment and information respecting health and safety experience, and work practices and standards in similar or other industries of which the employer has knowledge.
- (viii) Review of new work procedures and amendments to existing work procedures. This includes discussion at the commencement of the development of new major work procedures.
- (ix) Review and recommend on proposed revisions to the Safety Rule Book and Work Protection Code. These recommendations will be forwarded to the Health and Safety Steering Committee.
- (x) The Committee will be supplied with copies of all existing safety related Letters of Instruction. The Committee will review and recommend on all proposed new safety related Letters of Instruction.

These recommendations will be forwarded to the Health and Safety Steering Committee.

- (xi) Committee members will receive the certification training as per OHSA (Ontario) at the Employer's expense. The method of presentation of the course will be determined by the Health and Safety Steering Committee. Training shall be provided within three (3) months of election or selection to the Committees.
- (xii) Committee minutes will be produced by the Employer and submitted for approval to the Co-Chairpersons. Each new topic will constitute a new item and when items are in the process of being implemented, they would be so noted and a future review date established. They would then be carried but not discussed without agreement of the Joint Co-Chairpersons.
- (xiii) The Committee **be provided with all** accident reports **involving Toronto Hydro employees.**
- (xiv) Matters unresolved in a Workplace Committee may be referred by either the Union or Management Co-Chairperson to the Joint Health and Safety Steering Committee. Referrals will include a statement of the problem, recommended solutions and reasoning to support the recommendation.
- (xv) With the agreement of both the Union and Management Co-Chairpersons, unresolved matters may be referred to the Union Health and Safety Representative and the Vice President Environment Health and Safety for the purpose of resolving the matter prior to referral to the Steering Committee. If the matter cannot be resolved in this way, it will be referred to the Steering Committee. Referrals will include a statement of the problem, recommended solutions and reasoning to support the recommendation.
- (xvi) Additional committees may be established at the Workplace level by the Steering Committee.

## The Steering Committee

### Structure:

- 26.03 The Steering Committee will have an equal number of Union and Management representatives not to exceed **two (2) including** Co-Chairpersons. **The Union Co-Chairperson shall be the Union Health and Safety Representative.** The Committee shall meet subject to an agenda being given five (5) working days in advance to the Secretary, who shall see that all Committee members have a copy three (3) working days previous to each meeting.

Unfinished business shall be considered agenda. Minutes of the **quarterly** meeting shall be recorded and sent to each member within ten (10) working days of the meeting. **The Committee shall meet at least once every three (3) months.** The Committee may meet more or less frequently with Joint Co-Chairpersons' approval.

### Terms of Reference

The terms of reference of the Steering Committee will include the following:

- (i) Coordinate the work of the Workplace Committees.
- (ii) Deal with matters referred from the Workplace Committees.
- (iii) Deal with health and safety matters which, because of their complexity or scope, are inappropriate for the Workplace Committees.
- (iv) Identify, evaluate and make recommendations regarding all matters pertaining to health and safety in the workplace.
- (v) The Union Co-Chairperson will be provided one (1) day every **quarter** as a pre-meeting preparation day.

- (vi) The Union Co-Chairperson shall inspect the workplace, as required by the Occupational Health and Safety Act (Ontario) on the basis of one (1) day per month.
- (vii) The Union Committee members shall be permitted to remain away from work for the remainder of the day. Time absent from work will be at the Employer's expense and shall not be charged to the grievance work order.
- (viii) Minutes shall be taken by a secretary appointed by the Employer who is not a Committee member.
- (ix) Recommend to the Employer and the workers the establishment, maintenance, and monitoring of programs, measures and procedures respecting the health of workers.
- (x) Obtain information from the Employer respecting the identification of potential or existing hazards of materials processes or equipment and information respecting health and safety experience and work practices and standards in similar or other industries of which the Employer has knowledge.
- (xi) Committee members will receive the certification training as per OHSA (Ontario) at the Employer's expense. The method of presentation of the course will be determined by the Health and Safety Steering Committee. Training shall be provided within three (3) months of election or selection to the Committees.
- (xii) Establish additional committees at the Workplace level with specific mandates.



- (xiii) Changes to the Safety Rule Book: If in the normal course of adding to or amending the Safety Rule Book, the Joint Steering Committee cannot reach agreement on the additions or amendments, the Ministry of Labour will be asked to intervene to assist in resolving the issue. If an urgent change must be made in the Safety Rule Book to protect the Health and Safety of the workers the Employer will satisfy its responsibility under the Act by making such a change and the Union reserves its rights under the Act to challenge the change.

26.04

- (a) The Health and Safety Representative, designated by the Union from among the employees represented by the Union, shall undertake investigative responsibilities as directed by the Committee. Time so spent shall be considered as time worked.
- (b) **The Union Health and Safety Representative, along with a Management Representative, shall inspect each work centre as required by the Occupational Health and Safety Act (Ontario) every month.**
- (c) **The Union Health and Safety Representative and the Director of the Environment, Health and Safety Department will work collaboratively and foster a proactive approach to health and safety throughout the organization.**

Safety

- 26.05 An employee who has been ordered to work in violation of the Employer's safety rules may refuse to perform that work.

VDT Workers

- 26.06 A pregnant employee upon her written request will be assigned alternate work in the same Service Centre with no loss of seniority or salary. A VDT emission level test shall be performed on the request of the pregnant employee.

### Students

- 26.07 Only technical, competent students shall work in close proximity to energized Hydro plant while supervised by a competent person. Competent is defined by the OHSA.

In all other circumstances only competent employees shall work in close proximity to energized hydro plant. Competent is defined by OHSA.

## ARTICLE 27 **ACCOMMODATION**

CUPE Local One and the Employer are jointly committed to re-integrating employees back into the workplace who have suffered an occupational or non-occupational injury or illness. The Union and Management will work together through an Accommodation Committee, which will operate on a consultation basis.

### Accommodation Committee

- 27.01 The Accommodation Committee will consist of three (3) Union Representatives and three (3) Management Representatives who will meet once every two (2) months or as necessary to discuss both permanent and temporary accommodations.

The Accommodation Committee shall:

- (1) Recommend to Toronto Hydro Management procedures and practices to ensure safe, consistent, and fair administration of the joint Early and Safe Return To Work Program.
- (2) Review and recommend to Toronto Hydro Management modified work assignment for employees who have been injured on the job on both a temporary and a permanent basis.

- (3) Meet regularly to monitor each modified work assignment and the overall performance of the joint Early and Safe Return To Work Program.
- (4) Recommend to Toronto Hydro Management changes to the joint Early and Safe Return To Work Program as appropriate.

The Union Committee members shall be allowed not less than two (2) hours between the termination of the meeting and return to normal duties for meals, clothing change and travel.

Time absent from work will be at the Employer's expense. Preparation time will be subject to approval by the Employer.

#### Reimbursement for Additional Medical Documentation

- (5) The Employer shall bear the cost of any additional required medical information or documentation beyond the initial medical request setting out non-occupational accommodation needs.

#### Permanent Placement

27.02 Employees who have suffered a permanent work-related injury/illness accepted and paid for by the WSIB, and who are medically fit to perform work may be placed as follows:

- (1) In the employee's existing job, if the employee is medically fit to perform the job duties.
- (2) In the employee's existing job, with modified duties, if the employee is medically fit to perform the job as modified, and the modifications permit the performance of the essential duties of the job.

- (3) In another classification within the employee's Bargaining Unit with approval of the Accommodation Committee.
- (4) In another classification within the 'other' Bargaining Unit with approval of the Accommodation Committee.
- (5) In a classification created specifically to accommodate the employee with approval of the Accommodation Committee. An employee returning to work will receive the current annual rate of pay for her/his pre-injury/illness position, including shift premium, or the minimum annual rate of the new classification, whichever is greater, plus any future negotiated increases for that classification.

As a condition of this continued wage protection, an employee who has been placed in a position other than the employee's previous position, will apply for all posted vacancies for which they are qualified and which have an annual rate greater than their new classification and equal to the employee's current annual rate.

#### Temporary Placement

- 27.03 Employees who have suffered a temporary work-related injury or illness, and who have submitted a claim to the WSIB, and who are medically fit to perform work may be placed as follows:
- (1) In the employee's existing job, if the employee is medically fit to perform the job duties.
  - (2) In the employee's existing job, with modified duties, if the employee is medically fit to perform the job as modified, and the modifications permit the performance of the essential duties of the job.

- (3) In a classification within either Bargaining Unit with approval of the Accommodation Committee.

The wage of the employee who is placed under this program will be protected at the pre-injury/illness level or the minimum of the new classification, whichever is greater, plus any future negotiated increases for that classification.

Where a scheduled increase or progression occurs during a temporary placement of not less than three (3) months, the employee will receive such increase or progression upon satisfactory demonstration of competency during a trial period of thirty (30) days.

## **ARTICLE 28 TRAINING**

- 28.01 Where the Employer determines that employees require additional knowledge and/or skill, the topic will be discussed at the Labour/Management Committee. The Employer may provide the necessary facilities and instruction to enable such employees as designated by the Employer to acquire the additional knowledge and/or skills at no loss in wages, and during this training period the Employer will compensate such employees for any travel and/or meal expense.

## **ARTICLE 29 JOB SECURITY**

- 29.01 Should any employee's job be eliminated due to contracting out by the Employer, or as a result of a directive to Toronto Hydro from its controlling Shareholder in regards to the regulated electricity distribution business, the employee will be placed in another job for a period of six (6) months and retrained in the new progression series. Following this the employee will be subject to the probation clause.

The employee will retain her/his current rate of pay and current wage range. In addition, the employee will receive future general increases and step increases in accordance with the Collective Agreement. The Union will be advised two (2) months in advance of such occurrence and will be given opportunity for discussion.

## ARTICLE 30 TECHNOLOGICAL CHANGE

### Advance Notice

- 30.01 When the Employer has determined that technological change, which will eliminate or significantly change a job, will be introduced, the Union will be provided not less than two (2) months' advance notice and will be given the opportunity for discussion.

### Priority Rights

- 30.02 During the advance notice period, as described in Article 30.01, employees who are so affected will have priority rights to fill any posted vacancy of an equivalent or lower classification level, provided they are qualified, with the employee with the greatest employment seniority having first priority rights. Should the posted vacancy be at a level lower than the employee's technologically-impacted position, the employee will retain her/his current rate of pay and current wage range. In addition, the employee will receive future general increases and step increases in accordance with the Collective Agreement.

### New Job

- 30.03 Should a job be eliminated due to technological change and a new job created, the Employer will provide the affected employees, on an employment seniority basis, up to six (6) months' training. Additional training may, subsequent to consultation with the Labour/Management Committee, be provided.

Should there be an insufficient number of newly created jobs, or should no new jobs be created, or should the affected employees choose not to accept the training, then the employees will have the option of being returned to their respective immediate previous positions, or being placed in other positions by the Employer. The Employer will provide up to six (6) months' training. Such employees will retain the current rate of pay and current wage range. In addition, these employees will receive future general increases and step increases in accordance with the Collective Agreement.

Following training, the Probation Article shall apply.

#### Significant Change

- 30.04 Should a job be significantly changed due to technological change, the Employer will provide the incumbents up to six (6) months' retraining. Additional training may, subsequent to consultation at the Labour/Management Committee, be provided. Should this technological change reduce the number of incumbents previously required, then the employees on a least employment seniority basis shall have the option of being returned to their respective immediate previous positions or being placed in other positions by the Employer. The Employer will provide up to six (6) months' training. Such employees will retain the current rate of pay and current wage range. In addition, these employees will receive future general increases and step increases in accordance with the Collective Agreement. Following training received in a new job, the Probation Article shall apply.
- 30.05 In the event the affected employees cause displacement of other employees, the Employer will not be required to provide notice, maintenance of wages or other payments to the displaced employees.

- 30.06 Any employee, whose current rate of pay and current wage range is being retained, as described in Article 30.02, 30.03 and 30.04 shall continue to receive such wage retention provided s/he applies for all posted vacancies for which s/he is qualified. The employee will have priority rights, for such posted vacancies, on an employment seniority basis. Priority rights shall be limited to all those vacancies, above the level at which s/he is being occupied, up to and including the level at which s/he was previously occupied at the time of technological change. Such priority rights and employee obligation to apply for posted vacancies shall continue to be in effect until the employee regains the level from which s/he was originally displaced.

### ARTICLE 31 **RETROGRESSION**

- 31.01 The Employer will inform the Union two (2) months in advance of any change in the working forces which may result in retrogression or layoff.
- 31.02 In the event of an employee being retrogressed to a lower classification, the employee will maintain her/his present wages for a period of twelve (12) months.
- 31.03 Where a surplus of employees occurs in any classification, Employment Seniority shall apply in the event of retrogression taking place. Employees with the least Employment Seniority shall be the first to be retrogressed and the following retrogression practices shall apply - insofar as they do not interfere with the operation of the Employer.

An employee with Employment Seniority shall be able to displace any employee with less Employment Seniority than her/himself in her/his own classification or in any classification where s/he has relative experience.



- 31.04 The employee who has Employment Seniority and is retrogressed shall be the first to fill a vacancy in her/his former classification.
- 31.05 An employee who exercises her/his seniority rights in the above manner shall be allowed the regular probation period and will be provided training to familiarize her/himself with her/his new duties.
- 31.06 Training will be subject to mutual agreement of the Labour/Management Committee.

## ARTICLE 32 **PERFORMANCE APPRAISAL**

- 32.01** Employee's current Performance Appraisal Review Record supersedes all previous Performance Appraisal Review Records. A Performance Appraisal Review Record shall be made out by the employee's immediate Supervisor on the employee's anniversary date of entering the classification (with the exception of the Probation Article 10.10 to 10.15).

Should an employee receive a "Fair" Performance Appraisal Review Record s/he is given not less **than** thirty (30) days to obtain a "Good" or higher Performance Appraisal Review Record. If an employee fails to obtain a "Good" or higher Performance Appraisal Review Record by the end of the prescribed time period, a "Low" Performance Appraisal Review Record will be issued.

Should an employee receive a "Low" Performance Appraisal Review Record s/he is given not less than thirty (30) days to obtain a "Good" or higher Performance Appraisal Review Record.

Should an employee receive a “Low” or “Fair” Performance Appraisal Review Record, **the immediate supervisor shall meet with the employee and review to clearly set out in writing performance development actions designed to assist the employee in achieving a “Good” or higher performance appraisal review record in no less than thirty (30) days from the date of the meeting.**

Employees disagreeing with their Performance Appraisal Review Record may refer it to Grievance Procedure. Employees shall not sign their Performance Appraisal Review Record unless it is completed in detail.

Employee shall be supplied with a copy of her/his Performance Appraisal Review Record. **When requested, the employee shall be given one (1) working day to review the appraisal.**

Any changes to the Performance Appraisal Review Record and associated process are subject to consultation with the Labour/Management Committee.

#### Records

- 32.02 An employee shall have the right to have access and review her/his personnel record at a time convenient to the Department Supervisor and the Human Resources office.

No evidence from the employee’s record may be introduced as evidence in any hearing of which the employee was not aware at the time of filing said record in her/his personnel file.

An employee may request copies of any material contained in her/his personnel record.

### Warning

- 32.03 All warnings received by an employee that could affect her/his Performance Appraisal Review Record shall be in writing from her/his immediate Supervisor, which the employee shall sign to acknowledge s/he has received a copy. The immediate Supervisor shall retain the warnings until the employee's next "Good" or better Performance Appraisal Review Record, at which time they shall be destroyed.

## ARTICLE 33 **HOURS OF WORK & OVERTIME**

- 33.01 For employees not on shift work, the work week shall be five (5) days, Monday to Friday. The present hours of work are thirty-five (35) and forty (40) hours per week. The starting and stopping time in the various classifications shall be continued.
- N.B. A one-half (½) hour paid lunch will remain in effect for forty (40) hour per week employees who had this arrangement prior to February 1, 1999.
- 33.02 Shift employees shall follow a posted master schedule, which consists of an average work week of thirty-five (35) and forty (40) hours over the length of its duration. The schedule shall be composed of seven (7) and eight (8) hour shifts.
- 33.03 Dispatcher shall work an eight (8) hour shift.
- 33.04 Computer Operator shall work a seven (7) hour shift.
- 33.05 Shift employees start times are as follows:

### 7 Hour Shift

Days:	07:00 to 09:00
Afternoons:	14:00 to 16:00
Nights:	21:00 to 23:00

### 8 Hour Shift

Days: 07:00 to 09:00

Afternoons: 15:00 to 17:00

Nights: 23:00 to 01:00

### Schedules

33.06

- (a) All shift employees' hours of work and days off shall follow the posted master schedule, except for employees (to a maximum of four) posted as spare or eight (8) as relief. Master schedules shall be posted for a six (6) month duration.
- (b) Changes to the master schedule for operational purposes may be made after eight (8) weeks notice in writing to the Union and the affected employees.
- (c) Changes to the master schedule for training purposes may be made after two (2) weeks notice to the affected employee, or some shorter period of time with the consent of the affected employee. These changes shall only affect the employee being trained.
- (d) With the approval of the Employer qualified employees may trade shifts provided notice is submitted, in writing, to their Employer and signed by both affected employees twenty-four (24) hours in advance of the requested shift change. Approval for requested shift change shall not be unreasonably withheld.
- (e) The summer work schedule for all shift employees shall be posted by May 1<sup>st</sup> of each year.
- (f) The weekly shift schedule for the hours of work shall be posted by 3:00 p.m. on Wednesday.

- (g) The posted master shift schedule will contain the following information:
- regular shift employees' names;
  - start and stop time of the shifts;
  - spares and reliefs;
  - assigned shifts;
  - scheduled off days.

33.07

- (a) Changes in the hours of work and the starting and stopping time shall not be effected until they are discussed by the Labour/Management Committee.
- (b) Changes to an employee's hours of work to a start time later than 9:00 a.m. shall not be effected until they are discussed by the Labour/Management Committee.
- (c) Changes in the hours of work and the starting and stopping time for posted vacancies shall not be effected until they are discussed by the Labour/Management Committee.

33.08 Subject to Employer approval, which will not be unreasonably denied, employees may select an Alternative Working Schedule which permits an employee to voluntarily complete her/his weekly hours of work within a compressed work week.

An employee, or group of employees, whose participation in an Alternative Working Schedule is denied or withdrawn, shall have recourse through the following appeal process:

- (1) Union and Management representatives will jointly meet with the affected employee(s) to discuss and resolve obstacles restricting the implementation of an Alternative Working Schedule.

- (2) Should discussion with affected employee(s) not result in the implementation of an Alternative Working Schedule, either party may forward the issue to the Labour/Management Committee for discussion.
- 33.09 The Alternative Working Schedule will be provided as follows:
- (a) Employee must submit an Alternative Working Schedule two weeks (2) prior to the start of each bi-monthly period (December 15, February 15, April 15, June 15, August 15, October 15).
  - (b) The work week shall be five (5) days, Monday to Friday.
  - (c) Core hours of work shall be between 9:00 a.m. and 3:00 p.m. with a minimum of one-half (1/2) hour lunch.
  - (d) Start time shall be no earlier than 7:00 a.m. and stop time no later than 6:00 p.m. Time worked outside of the bi-monthly, pre-selected, Alternative Working Schedule shall be paid in accordance with Article 33.13 to 33.29.
  - (e) Employees shall be able to work up to six (6) hours per week in addition to their regularly scheduled hours of work. Such hours worked in excess of an employee's regularly scheduled hours of work shall form part of the employee's accumulated bank hours for the purpose of the Alternative Working Schedule.
  - (f) The accumulated bank shall not exceed three (3) credited days or one (1) debited day in any calendar month.
  - (g) Hours earned in an employee's accumulated bank must be taken in not less than one-half (1/2) day increments.
  - (h) Clause 33.01 and 33.10 shall not apply.

- (i) For the purposes of the Bereavement Article, Sick Pay Credit Article and Vacation Article a day shall be defined as either seven (7) hours for all 35 hour per week employees or eight (8) hours for all other normally scheduled work hours per week.

#### Shift Differentials

- 33.10 Rates listed in Schedule I for shift employees who work on a seven (7) day rotating shift schedule which includes weekends and or public holidays shall be increased by a shift differential of 6%, and shall be applied for all hours paid. For fringe benefits, this premium shall be considered as part of the basic rate.
- 33.11 For employees working on a rotating shift schedule which does not include weekends or public holidays will receive seventy (70) cents per hour for all hours paid. For fringe benefits, this premium shall be considered as part of the basic rate.

#### Standby Period

- 33.12 Standby period applies only to those employees in a classification who have been placed on a Standby list. Standby time commences at normal stopping time of the workday and terminates at the regular starting time of the next working day.

Standby periods for employees detailed on the Standby List may be from one (1) to seven (7) days in length. Payment shall be at three (3) hours at straight time pay for each day on standby on a weekend and/or public holiday and one and a half (1 ½) hours at straight time pay for other week days on standby, plus in all cases, regular overtime rates for overtime worked. Standby pay for employees working a thirty-five (35) hour week is pro-rated accordingly, i.e. 35/40ths as above.

Standby list shall be posted **four (4) times per year on the 1<sup>st</sup> of March, June, September and December and will commence on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup> respectively.**

#### Overtime

- 33.13 Regular work of the Employer is conducted seven days in the week and overtime results when employee is required to work beyond regular work, (see Hours of Work) or as defined in the following overtime Articles. An employee on overtime work is not expected to work longer than s/he can perform her/his duties safely and efficiently.

Termination of the work period is at the discretion of the Supervisor, but no employee shall work continuously for more than twenty-four (24) hours and a period of at least eight (8) hours must elapse before the employee is recalled for further work.

#### Absence with Pay

- 33.14 An employee on overtime for a minimum of six (6) hours, terminating between four (4) and seven (7) hours preceding her/his normal starting time of a regular work day, shall remain away from work until the beginning of the latter half of her/his regular working day.

An employee on overtime for a minimum of six (6) hours, terminating less than four (4) hours preceding her/his normal starting time of a regular work day shall remain away from work for the balance of that day. Employee so absent shall not suffer any loss of straight-time pay for the scheduled hours not worked in her/his regular working day.

- 33.15 During circumstances of extreme emergency, Article 33.14 shall not apply.



- 33.16 Overtime shall be allotted among the employees as equitably as practicable among the employees within a district or department.

The Employer shall maintain overtime records and the Union Steward shall have access to the record of her/his Department or Section. When an employee is permitted by the Employer to decline overtime, s/he shall be recorded as having had the opportunity. This provision does not apply to employees residing outside the boundaries of the City of Toronto.

- 33.17 Call-out includes travel allowance as outlined in provision 33.32 and total amount paid for the calls is not less than two hours' premium time.

33.18

- (a) The Employer will make every effort to avoid requiring pre-arranged overtime without twenty-four (24) hours' notice. If an employee is scheduled to work pre-arranged overtime and s/he is notified during her/his off hours that the pre-arranged job has been cancelled, s/he shall be paid two (2) hours' premium time.
- (b) When an overtime work period is broken up by up to five (5) hours because continuous work is not required, the employees shall be provided alternate work or shall stand by at premium time until work is resumed.

#### Non-Shift

Monday to Friday

- 33.19 When required to continue working on her/his regular working day after her/his regular stopping time, is paid at double time until released.

33.20

- (a) When called out on her/his regular working day less than four (4) hours before her/his regular starting time, is paid at double time for the period before her/his regular starting time, straight time for the scheduled working hours and at double time until released.
- (b) When called out on her/his regular working day, four (4) hours or more before her/his regular starting time, is paid at double time until released.

33.21 Time worked in excess of eight (8) hour day during regularly scheduled meal period, is paid at double time.

33.22 Saturday and Sunday

Time worked is paid as follows:

0001 hours to 2400 hours at double time

33.23 Public Holiday

Time worked is paid as follows:

0001 hours to 2400 hours at double time, plus normal as provided under Public Holiday.

Shift

Regular Working Day

33.24 When required to continue working beyond her/his scheduled shift after her/his regular stopping time is paid at double time until released.

33.25

- (a) When called out less than four (4) hours before her/his scheduled shift, is paid at double time for the period before her/his regular starting time, straight time for the scheduled working hours and at double time until released.

- (b) When called out four (4) hours or more before her/his scheduled shift, is paid at double time until released.

33.26 Time worked on scheduled off-days is paid at double time.

Public Holiday

33.27 Hours worked by shift employees on regular shift on an observed Public Holiday are paid at double time and receive a day in lieu unless Public Holidays have been provided for in the shift schedule.

33.28 Shift and Non-Shift employees shall have the option of being paid overtime worked at the premium rates, as provided in the overtime provisions of the Agreement, or being paid at straight-time for the overtime hours worked and accumulating lieu time hours, equivalent to the actual hours worked, to a maximum of fifty-six (56) hours per year. An employee shall be allowed to carry over any portion of one (1) year's overtime lieu.

33.29 When accumulated lieu time is not taken, the employee shall be reimbursed at the end of the term of the Agreement in an amount equivalent to accumulated lieu time not taken. Payment shall be at the employee's current rate of pay in effect at the end of the term of Agreement.

Travel Time

33.30 Travel time to and from duty report points designated by the Employer is not allowed except as follows:

- (a) Employee called out for immediate report shall be paid from time of call, plus a half (1/2) hour at double time to return home, except payment for returning home does not apply when the work terminates at normal stopping time. Responsibility for infringement of travel time rests with the Supervisor.

- (b) Employee working in area not served by the Employer reports at area limits not earlier than 8:00 a.m. and ceases work at area limits not later than 5:00 p.m.

N.B. Transportation is supplied within the City of Toronto to and from work, during such hours after Midnight as convenient public transportation is unavailable.

The above shall not apply to employees residing outside the boundaries of City of Toronto. These employees shall be paid travel time of one half (1/2) hour at double time when called out for immediate report and one half (1/2) hour to return home. Payment for returning home does not apply when the work terminates at normal stopping time.

#### Meal Allowance

Effective February 1, 2009 the meal allowance shall be \$15.00.

33.31 Meal allowance is provided as follows:

- (a) Employee continuing working past her/his regular stop time, circumstances permitting, shall eat her/his first meal at normal stop time and at intervals thereafter of four (4) hours. Meals shall be calculated from normal stop time. Employee must work two (2) hours past her/his last meal period to be paid for same.
- (b) Employee called back for emergency work three (3) hours or more and at intervals thereafter of not less than four (4) hours until released.
- (c) Employee working prearranged overtime on her/his off days more than eight (8) hours and at intervals thereafter of not less than four (4) hours until released.
- (d) There shall be no loss of time when meals provided above are taken. It is understood that responsibility for length of meal time rests with the Supervisor.

### Mileage Allowance

- 33.32 The Employer shall provide employees who are authorized to use their own automobile on Employer's business up to \$300.00 per contract year to cover the difference in insurance premium cost between pleasure and business driving. Employees are required to maintain a minimum of \$1,000,000 Public Liability and Property Damage Coverage.

Employees shall be reimbursed **0.53** cents per kilometer for all kilometers travelled while on Employer's business. Conversion factor is 1 mile = 1.6 kilometers.

The rate paid per kilometer is related to changes in the Private Transportation Index (P.T.I.) component of the Consumer Price Index of Canada (1992 = 100) for Ontario. The P.T.I. base figure is 149.3 points (January 31, 2006) and for each 11.9 points increase an additional one (1) cent per kilometer shall be paid. The effective date for changes in rate paid will be the first of the month following the month in which the index is published.

### Break Periods

- 33.33 Two fifteen (15) minutes break periods will be allowed all employees each regular working day. For shift employees whose normal work day is more than eight (8) hours an additional break period of fifteen (15) minutes will be allowed. These periods will be arranged in such a way as to prevent inconvenience to the customers or disruption of work.

### Parking and Telephone Charges

- 33.34 The Employer shall refund the cost of public pay telephone calls while on Employer's business.

The Employer shall refund the cost of parking meter or parking lot charges incurred while travelling on Employer's business.

ARTICLE 34  
**OFFICE PERSONNEL**

- 34.01 Office personnel supplied through a temporary personnel agency and performing work done by employees covered by this Agreement will be used only in cases of Pregnancy, Adoption, Parental Leave, or any such other reason that's equally temporary in nature.

The Employer shall provide the Union on a monthly basis with a list detailing agency personnel employed in bargaining unit positions and reasons.

ARTICLE 35  
**TERM OF AGREEMENT**

- 35.01 This Agreement is effective from the first (1<sup>st</sup>) day of **February 2014**, to the thirty-first (31<sup>st</sup>) day of **January 2018**, and from year to year thereafter unless either party give notice in writing not more than ninety (90) days and not less than thirty (30) days prior to the expiration date of **January 31, 2018**.
- 35.02 Job classifications, wage rates, progressions and classification conditions for Inside employees are set forth in Schedule I, attached and form part of this Agreement.
- 35.03 Effective **February 1, 2014** there will be a general increase of **1.5%** on the rates in effect on **February 1, 2014**. Effective **February 1, 2015**, there will be a general wage increase of **1.75%** on the rates in effect on **January 31, 2015**. Effective **February 1, 2016**, there will be a general wage increase of **1.75%** on the rates in effect on **January 31, 2016**. Effective **February 1, 2017**, there will be a general wage increase of **2%** on the rates in effect on **January 31, 2017**. These adjustments to wages shall apply to all employees on the payroll in the bargaining unit **except students**.

### COLA

The following Cost of Living Escalator paragraphs are operative for the **third** and **fourth** years of this Agreement. The following cost of living paragraphs will operate from **February 1, 2016, until January 31, 2018**.

The following Cost of Living Escalator clause shall be applicable to all employees covered by the Agreement and shall provide for an adjustment of wages upwards or downwards of 0.50% for each full 0.50% change in the Statistics Canada Consumer Price Index for Toronto (1992 = 100). The Index Figure published in January **2016** is to be the base for calculating adjustments. This escalator clause will not be effective unless the Consumer Price Index for Toronto exceeds the wage adjustment for the **third** year, i.e. **1.75%** by 0.50%, at which time there will be a 0.50% general increase. This shall be made effective commencing the first payroll period following the publication date in the month in which the Consumer Price Index is published. Adjustments thereafter will be made in a similar manner every two (2) months. No adjustment upward or downward shall be made if the change in the Consumer Price Index for Toronto is less than 0.50%.

The index figure published in **January 2016** is to be the last index figure utilized for adjustment purposes under this second year Cost of Living Adjustment clause. No downward adjustment shall be made to reduce wages below the level paid in the first month of the second year of the Agreement because of changes in the Consumer Price Index for Toronto.

35.04

- (a) In the event that the Employer and the Union negotiate a Collective Agreement for a term of more than two years, the following Cost of Living escalator clause shall become part of such an Agreement and shall be applicable to all employees covered by that Agreement.

- (b) Such **four**-year contract includes an escalator clause in the **fourth** year of the Agreement which provides for an adjustment of wages upwards or downwards of 0.50% for each full 0.50% change in the Statistics Canada Consumer Price Index for Toronto (1992=100). The index figure published in January **2017** is to be the base for calculating adjustments.

This escalator clause will not be effective unless the Consumer Price Index for Toronto exceeds the wage adjustments for the **fourth** year, i.e. **2%** by 0.50%, at which time there will be a 0.50% general increase. This shall be made effective commencing the first payroll period following the publication date in the month in which the Consumer Price Index is published. Adjustments thereafter will be made in a similar manner every two (2) months. No adjustment upward or downward shall be made if the change in the Consumer Price Index for Toronto is less than 0.50%.

The index figure published in **January 2018** is to be the last index figure utilized for adjustment purposes under this clause. No downward adjustment shall be made to reduce wages below the level paid in the first month of the third year of such Agreement because of changes in the Consumer Price Index for Toronto during the life of this Agreement.

- 35.05 The wage and benefit provisions of this Agreement include any rebates payable to the employee under present OHIP legislation and Employment Insurance legislation.

#### Printing of the Agreement

- 35.06 Printing of this Agreement shall be in a union shop and is at Employer's expense and the Union is supplied in sufficient quantity for distribution to Union membership.



35.07 This Agreement is executed and delivered this 22<sup>nd</sup>  
day of May 2014.

Signed on behalf of the Toronto Hydro:

Original signed by:

Helia Ralph

Jim Trgachef

John Spina

Greg London

Meg Bolohan

Witness:

Signed on behalf of Local No. 1 Canadian Union of Public  
Employees:

Original signed by:

John Camilleri

David Philpott

Roy Perl

Robert Handley

David Carrington

Peter Katsios

Witness:

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2014 to January 31, 2015)**

Classification	Hours	Start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo
Printer	35 Hrs	\$ 844.33	\$ 900.51	\$ 1,013.43	\$ 1,125.82		
Accounting Clerk Level 1	35 Hrs	\$ 879.49	\$ 937.83	\$ 1,055.04	\$ 1,172.25		
Office Clerk	35 Hrs	\$ 879.49	\$ 937.83	\$ 1,055.04	\$ 1,172.25		
Engineering Records Tech.	35 Hrs	\$ 948.06	\$ 1,011.27	\$ 1,137.69	\$ 1,264.08		
Accounting Clerk Level 2	35 Hrs	\$ 1,021.54	\$ 1,078.80	\$ 1,192.26	\$ 1,305.70	\$ 1,419.13	
Computer Operator	35 Hrs	\$ 1,021.54	\$ 1,078.80	\$ 1,192.26	\$ 1,305.70	\$ 1,419.13	
Energy Service Clerk	35 Hrs	\$ 1,021.54	\$ 1,078.80	\$ 1,192.26	\$ 1,305.70	\$ 1,419.13	
System Perf. Tech. Level 1*	35 Hrs	\$ 1,021.54	\$ 1,078.80	\$ 1,192.26	\$ 1,305.70	\$ 1,419.13	
Telecom Field Technician	35 Hrs	\$ 1,021.54	\$ 1,078.80	\$ 1,192.26	\$ 1,305.70	\$ 1,419.13	
Telecom Technician Level 1	35 Hrs	\$ 1,021.54	\$ 1,078.80	\$ 1,192.26	\$ 1,305.70	\$ 1,419.13	
U.G. Field Technician	35 Hrs	\$ 1,021.54	\$ 1,078.80	\$ 1,192.26	\$ 1,305.70	\$ 1,419.13	
Senior Office Clerk Level 1	35 Hrs	\$ 1,023.17	\$ 1,091.23	\$ 1,227.94	\$ 1,364.56		
Customer Service Rep.	35 Hrs	\$ 1,043.14	\$ 1,100.94	\$ 1,216.56	\$ 1,332.71	\$ 1,448.30	
Senior Office Clerk Level 2	35 Hrs	\$ 1,043.14	\$ 1,100.94	\$ 1,216.56	\$ 1,332.71	\$ 1,448.30	
Customer Service Advisor	35 Hrs	\$ 1,064.21	\$ 1,123.11	\$ 1,241.40	\$ 1,359.15	\$ 1,478.03	
Energy Service Advisor	35 Hrs	\$ 1,064.21	\$ 1,123.11	\$ 1,241.40	\$ 1,359.15	\$ 1,478.03	
Senior Office Clerk Level 3	35 Hrs	\$ 1,064.21	\$ 1,123.11	\$ 1,241.40	\$ 1,359.15	\$ 1,478.03	
End User Support Rep.	35 Hrs	\$ 1,065.45	\$ 1,124.81	\$ 1,243.02	\$ 1,362.77	\$ 1,479.43	
Electrical Service Inspector	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
Engineering Tech. Level 2	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
Facilities Tech. Level 1	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
Field Tester	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
<b>Plant Damage Prevention</b>	<b>35 Hrs</b>	<b>\$ 1,095.01</b>	<b>\$ 1,151.16</b>	<b>\$ 1,262.99</b>	<b>\$ 1,374.83</b>	<b>\$ 1,486.66</b>	<b>\$ 1,598.49</b>
Project Scheduler	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
Rates Technician	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
Research Assistant	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
Scada/DMS Sys. Tech.	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
Senior Office Clerk Level 4	35 Hrs	\$ 1,095.01	\$ 1,151.16	\$ 1,262.99	\$ 1,374.83	\$ 1,486.66	\$ 1,598.49
Plant Locator	35 Hrs	\$ 1,098.18	\$ 1,159.16	\$ 1,281.20	\$ 1,403.23	\$ 1,525.24	
Demand Clerk	35 Hrs	\$ 1,106.90	\$ 1,168.46	\$ 1,291.12	\$ 1,414.25	\$ 1,536.92	
Lab Technician	35 Hrs	\$ 1,108.16	\$ 1,182.28	\$ 1,330.47	\$ 1,477.40		
Telecom Analyst	35 Hrs	\$ 1,146.35	\$ 1,204.66	\$ 1,321.90	\$ 1,439.11	\$ 1,555.79	\$ 1,673.57
General Service Billing Specialist	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Accounting Clerk Level 3	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Engineering Tech. Level 3	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Fleet Technical Clerk	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Material Analyst*	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Meter Technician	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Programmer/Analyst	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Scada Technician	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96

\*See Inside Classification Schedule Job Harmonization

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2014 to January 31, 2015)**

Classification	Hours	Start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo
Technical Clerk	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Stations Equipment Tester	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Senior Lab Technician	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Sr. Electrical Service Inspector	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Billing Settlement Specialist (TH Energy)	35 Hrs	\$ 1,177.12	\$ 1,237.65	\$ 1,357.56	\$ 1,478.03	\$ 1,598.49	\$ 1,718.96
Telecom Technician Level 2	35 Hrs	\$ 1,199.25	\$ 1,260.84	\$ 1,382.93	\$ 1,505.57	\$ 1,628.75	\$ 1,750.82
Civil Designer	35 Hrs	\$ 1,199.25	\$ 1,260.84	\$ 1,382.93	\$ 1,505.57	\$ 1,628.75	\$ 1,750.82
Design Tech. Level 1*	35 Hrs	\$ 1,199.25	\$ 1,260.84	\$ 1,382.93	\$ 1,505.57	\$ 1,628.75	\$ 1,750.82
Engineering Technologist Level 1	35 Hrs	\$ 1,199.25	\$ 1,260.84	\$ 1,382.93	\$ 1,505.57	\$ 1,628.75	\$ 1,750.82
Program Scheduler	35 Hrs	\$ 1,199.25	\$ 1,260.84	\$ 1,382.93	\$ 1,505.57	\$ 1,628.75	\$ 1,750.82
Treasury & Accounting Analyst	35 Hrs	\$ 1,220.38	\$ 1,282.46	\$ 1,407.25	\$ 1,532.05	\$ 1,656.80	\$ 1,781.04
Buyer*	35 Hrs	\$ 1,220.38	\$ 1,282.46	\$ 1,407.25	\$ 1,532.05	\$ 1,656.80	\$ 1,781.04
Supply Chain Specialist	35 Hrs	\$ 1,220.38	\$ 1,282.46	\$ 1,407.25	\$ 1,532.05	\$ 1,656.80	\$ 1,781.04
Civil Technician	35 Hrs	\$ 1,220.38	\$ 1,282.46	\$ 1,407.25	\$ 1,532.05	\$ 1,656.80	\$ 1,781.04
Facilities Tech. Level 2	35 Hrs	\$ 1,220.38	\$ 1,282.46	\$ 1,407.25	\$ 1,532.05	\$ 1,656.80	\$ 1,781.04
Design Tech. Level 2*	35 Hrs	\$ 1,279.74	\$ 1,345.14	\$ 1,475.87	\$ 1,607.11	\$ 1,737.30	\$ 1,868.04
Energy Service Tech.	35 Hrs	\$ 1,279.74	\$ 1,345.14	\$ 1,475.87	\$ 1,607.11	\$ 1,737.30	\$ 1,868.04
Station Designer	35 Hrs	\$ 1,279.74	\$ 1,345.14	\$ 1,475.87	\$ 1,607.11	\$ 1,737.30	\$ 1,868.04
System Perf. Tech. Level 2*	35 Hrs	\$ 1,279.74	\$ 1,345.14	\$ 1,475.87	\$ 1,607.11	\$ 1,737.30	\$ 1,868.04
Engineering Technologist Level 2	35 Hrs	\$ 1,279.74	\$ 1,345.14	\$ 1,475.87	\$ 1,607.11	\$ 1,737.30	\$ 1,896.60
Station Inspector	40 Hrs	\$ 1,066.24	\$ 1,137.22	\$ 1,279.22	\$ 1,421.22		
Garage Clerk	40 Hrs	\$ 1,108.16	\$ 1,182.28	\$ 1,330.47	\$ 1,477.40		
Customer Enquiry Clerk	40 Hrs	\$ 1,153.89	\$ 1,231.08	\$ 1,384.78	\$ 1,538.54		
Telecommunications Technologist	40 Hrs	\$ 1,154.61	\$ 1,349.11	\$ 1,517.74	\$ 1,686.38		
U.G. Const. Field Tech.*	40 Hrs	\$ 1,158.86	\$ 1,236.02	\$ 1,390.93	\$ 1,545.31		
Engineering Cost Clerk	40 Hrs	\$ 1,199.59	\$ 1,279.83	\$ 1,439.75	\$ 1,599.65		
Cable Locate Dispatcher	40 Hrs	\$ 1,240.88	\$ 1,321.09	\$ 1,396.16	\$ 1,458.09		
Dispatcher*	40 Hrs	\$ 1,240.88	\$ 1,321.09	\$ 1,396.16	\$ 1,458.09		
Protection & Control Tech*	40 Hrs	\$ 1,304.52	\$ 1,370.58	\$ 1,503.95	\$ 1,637.92	\$ 1,770.66	\$ 1,904.00
Customer Service Rep (Dispatcher) Shift	40 Hrs	\$ 1,240.85	\$ 1,321.09	\$ 1,396.16	\$ 1,458.09	\$ 1,556.66	\$ 1,655.21

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2014 to January 31, 2015)**

Students - Clerical	35 Hrs		\$ 706.26	
Students - Field	40 Hrs		\$ 740.86	
Students - Technical	40 Hrs		\$ 740.86	
Students - Sr. Technical	40 Hrs		\$ 856.43	

\*See Inside Classification Schedule Job Harmonization

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2015 to January 31, 2016)**

Classification	Hours	Start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo
Printer	35 Hrs	\$ 859.11	\$ 916.27	\$ 1,031.17	\$ 1,145.52		
Accounting Clerk Level 1	35 Hrs	\$ 894.88	\$ 954.24	\$ 1,073.50	\$ 1,192.76		
Office Clerk	35 Hrs	\$ 894.88	\$ 954.24	\$ 1,073.50	\$ 1,192.76		
Engineering Records Tech.	35 Hrs	\$ 964.65	\$ 1,028.97	\$ 1,157.60	\$ 1,286.20		
Accounting Clerk Level 2	35 Hrs	\$ 1,039.42	\$ 1,097.68	\$ 1,213.12	\$ 1,328.55	\$ 1,443.96	
Computer Operator	35 Hrs	\$ 1,039.42	\$ 1,097.68	\$ 1,213.12	\$ 1,328.55	\$ 1,443.96	
Energy Service Clerk	35 Hrs	\$ 1,039.42	\$ 1,097.68	\$ 1,213.12	\$ 1,328.55	\$ 1,443.96	
System Perf. Tech. Level 1*	35 Hrs	\$ 1,039.42	\$ 1,097.68	\$ 1,213.12	\$ 1,328.55	\$ 1,443.96	
Telecom Field Technician	35 Hrs	\$ 1,039.42	\$ 1,097.68	\$ 1,213.12	\$ 1,328.55	\$ 1,443.96	
Telecom Technician Level 1	35 Hrs	\$ 1,039.42	\$ 1,097.68	\$ 1,213.12	\$ 1,328.55	\$ 1,443.96	
U.G. Field Technician	35 Hrs	\$ 1,039.42	\$ 1,097.68	\$ 1,213.12	\$ 1,328.55	\$ 1,443.96	
Senior Office Clerk Level 1	35 Hrs	\$ 1,041.08	\$ 1,110.33	\$ 1,249.43	\$ 1,388.44		
Customer Service Rep.	35 Hrs	\$ 1,061.39	\$ 1,120.21	\$ 1,237.85	\$ 1,356.03	\$ 1,473.65	
Senior Office Clerk Level 2	35 Hrs	\$ 1,061.39	\$ 1,120.21	\$ 1,237.85	\$ 1,356.03	\$ 1,473.65	
Customer Service Advisor	35 Hrs	\$ 1,082.83	\$ 1,142.76	\$ 1,263.12	\$ 1,382.94	\$ 1,503.90	
Energy Service Advisor	35 Hrs	\$ 1,082.83	\$ 1,142.76	\$ 1,263.12	\$ 1,382.94	\$ 1,503.90	
Senior Office Clerk Level 3	35 Hrs	\$ 1,082.83	\$ 1,142.76	\$ 1,263.12	\$ 1,382.94	\$ 1,503.90	
End User Support Rep.	35 Hrs	\$ 1,084.10	\$ 1,144.49	\$ 1,264.77	\$ 1,386.62	\$ 1,505.32	
Electrical Service Inspector	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
Engineering Tech. Level 2	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
Facilities Tech. Level 1	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
Field Tester	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
<b>Plant Damage Prevention</b>	<b>35 Hrs</b>	<b>\$ 1,114.17</b>	<b>\$ 1,171.31</b>	<b>\$ 1,285.09</b>	<b>\$ 1,398.89</b>	<b>\$ 1,512.68</b>	<b>\$ 1,626.46</b>
Project Scheduler	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
Rates Technician	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
Research Assistant	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
Scada/DMS Sys. Tech.	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
Senior Office Clerk Level 4	35 Hrs	\$ 1,114.17	\$ 1,171.31	\$ 1,285.09	\$ 1,398.89	\$ 1,512.68	\$ 1,626.46
Plant Locator	35 Hrs	\$ 1,117.40	\$ 1,179.45	\$ 1,303.62	\$ 1,427.79	\$ 1,551.93	
Demand Clerk	35 Hrs	\$ 1,126.27	\$ 1,188.91	\$ 1,313.71	\$ 1,439.00	\$ 1,563.82	
Lab Technician	35 Hrs	\$ 1,127.55	\$ 1,202.97	\$ 1,353.75	\$ 1,503.25		
Telecom Analyst	35 Hrs	\$ 1,166.41	\$ 1,225.74	\$ 1,345.03	\$ 1,464.29	\$ 1,583.02	\$ 1,702.86
General Service Billing Specialist	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Accounting Clerk Level 3	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Engineering Tech. Level 3	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Fleet Technical Clerk	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Material Analyst*	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Meter Technician	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Programmer/Analyst	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Scada Technician	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04

\*See Inside Classification Schedule Job Harmonization

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2015 to January 31, 2016)**

Classification	Hours	Start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo
Technical Clerk	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Stations Equipment Tester	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Senior Lab Technician	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Sr. Electrical Service Inspector	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Billing Settlement Specialist (TH Energy)	35 Hrs	\$ 1,197.72	\$ 1,259.31	\$ 1,381.32	\$ 1,503.90	\$ 1,626.46	\$ 1,749.04
Telecom Technician Level 2	35 Hrs	\$ 1,220.24	\$ 1,282.90	\$ 1,407.13	\$ 1,531.92	\$ 1,657.25	\$ 1,781.46
Civil Designer	35 Hrs	\$ 1,220.24	\$ 1,282.90	\$ 1,407.13	\$ 1,531.92	\$ 1,657.25	\$ 1,781.46
Design Tech. Level 1*	35 Hrs	\$ 1,220.24	\$ 1,282.90	\$ 1,407.13	\$ 1,531.92	\$ 1,657.25	\$ 1,781.46
Engineering Technologist Level 1	35 Hrs	\$ 1,220.24	\$ 1,282.90	\$ 1,407.13	\$ 1,531.92	\$ 1,657.25	\$ 1,781.46
Program Scheduler	35 Hrs	\$ 1,220.24	\$ 1,282.90	\$ 1,407.13	\$ 1,531.92	\$ 1,657.25	\$ 1,781.46
Treasury & Accounting Analyst	35 Hrs	\$ 1,241.74	\$ 1,304.90	\$ 1,431.88	\$ 1,558.86	\$ 1,685.79	\$ 1,812.21
Buyer*	35 Hrs	\$ 1,241.74	\$ 1,304.90	\$ 1,431.88	\$ 1,558.86	\$ 1,685.79	\$ 1,812.21
Supply Chain Specialist	35 Hrs	\$ 1,241.74	\$ 1,304.90	\$ 1,431.88	\$ 1,558.86	\$ 1,685.79	\$ 1,812.21
Civil Technician	35 Hrs	\$ 1,241.74	\$ 1,304.90	\$ 1,431.88	\$ 1,558.86	\$ 1,685.79	\$ 1,812.21
Facilities Tech. Level 2	35 Hrs	\$ 1,241.74	\$ 1,304.90	\$ 1,431.88	\$ 1,558.86	\$ 1,685.79	\$ 1,812.21
Design Tech. Level 2*	35 Hrs	\$ 1,302.14	\$ 1,368.68	\$ 1,501.70	\$ 1,635.23	\$ 1,767.70	\$ 1,900.73
Energy Service Tech.	35 Hrs	\$ 1,302.14	\$ 1,368.68	\$ 1,501.70	\$ 1,635.23	\$ 1,767.70	\$ 1,900.73
Station Designer	35 Hrs	\$ 1,302.14	\$ 1,368.68	\$ 1,501.70	\$ 1,635.23	\$ 1,767.70	\$ 1,900.73
System Perf. Tech. Level 2*	35 Hrs	\$ 1,302.14	\$ 1,368.68	\$ 1,501.70	\$ 1,635.23	\$ 1,767.70	\$ 1,900.73
Engineering Technologist Level 2	35 Hrs	\$ 1,302.14	\$ 1,368.68	\$ 1,501.70	\$ 1,635.23	\$ 1,767.70	\$ 1,929.79
Station Inspector	40 Hrs	\$ 1,084.90	\$ 1,157.12	\$ 1,301.61	\$ 1,446.09		
Garage Clerk	40 Hrs	\$ 1,127.55	\$ 1,202.97	\$ 1,353.75	\$ 1,503.25		
Customer Enquiry Clerk	40 Hrs	\$ 1,174.08	\$ 1,252.62	\$ 1,409.01	\$ 1,565.46		
Telecommunications Technologist	40 Hrs	\$ 1,174.82	\$ 1,372.72	\$ 1,544.30	\$ 1,715.89		
U.G. Const. Field Tech.*	40 Hrs	\$ 1,179.14	\$ 1,257.65	\$ 1,415.27	\$ 1,572.35		
Engineering Cost Clerk	40 Hrs	\$ 1,220.58	\$ 1,302.23	\$ 1,464.95	\$ 1,627.64		
Cable Locate Dispatcher	40 Hrs	\$ 1,262.60	\$ 1,344.21	\$ 1,420.59	\$ 1,483.61		
Dispatcher*	40 Hrs	\$ 1,262.60	\$ 1,344.21	\$ 1,420.59	\$ 1,483.61		
Protection & Control Tech*	40 Hrs	\$ 1,327.35	\$ 1,394.57	\$ 1,530.27	\$ 1,666.58	\$ 1,801.65	\$ 1,937.32
Customer Service Rep (Dispatcher) Shift	40 Hrs	\$ 1,262.56	\$ 1,344.21	\$ 1,420.59	\$ 1,483.61	\$ 1,583.90	\$ 1,684.18

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2015 to January 31, 2016)**

Students - Clerical	35 Hrs		\$ 706.26	
Students - Field	40 Hrs		\$ 740.86	
Students - Technical	40 Hrs		\$ 740.86	
Students - Sr. Technical	40 Hrs		\$ 856.43	

\*See Inside Classification Schedule Job Harmonization

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2016 to January 31, 2017)**

Classification	Hours	Start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo
Printer	35 Hrs	\$ 874.14	\$ 932.30	\$ 1,049.22	\$ 1,165.57		
Accounting Clerk Level 1	35 Hrs	\$ 910.54	\$ 970.94	\$ 1,092.29	\$ 1,213.63		
Office Clerk	35 Hrs	\$ 910.54	\$ 970.94	\$ 1,092.29	\$ 1,213.63		
Engineering Records Tech.	35 Hrs	\$ 981.53	\$ 1,046.98	\$ 1,177.86	\$ 1,308.71		
Accounting Clerk Level 2	35 Hrs	\$ 1,057.61	\$ 1,116.89	\$ 1,234.35	\$ 1,351.80	\$ 1,469.23	
Computer Operator	35 Hrs	\$ 1,057.61	\$ 1,116.89	\$ 1,234.35	\$ 1,351.80	\$ 1,469.23	
Energy Service Clerk	35 Hrs	\$ 1,057.61	\$ 1,116.89	\$ 1,234.35	\$ 1,351.80	\$ 1,469.23	
System Perf. Tech. Level 1*	35 Hrs	\$ 1,057.61	\$ 1,116.89	\$ 1,234.35	\$ 1,351.80	\$ 1,469.23	
Telecom Field Technician	35 Hrs	\$ 1,057.61	\$ 1,116.89	\$ 1,234.35	\$ 1,351.80	\$ 1,469.23	
Telecom Technician Level 1	35 Hrs	\$ 1,057.61	\$ 1,116.89	\$ 1,234.35	\$ 1,351.80	\$ 1,469.23	
U.G. Field Technician	35 Hrs	\$ 1,057.61	\$ 1,116.89	\$ 1,234.35	\$ 1,351.80	\$ 1,469.23	
Senior Office Clerk Level 1	35 Hrs	\$ 1,059.30	\$ 1,129.76	\$ 1,271.30	\$ 1,412.74		
Customer Service Rep.	35 Hrs	\$ 1,079.96	\$ 1,139.81	\$ 1,259.51	\$ 1,379.76	\$ 1,499.44	
Senior Office Clerk Level 2	35 Hrs	\$ 1,079.96	\$ 1,139.81	\$ 1,259.51	\$ 1,379.76	\$ 1,499.44	
Customer Service Advisor	35 Hrs	\$ 1,101.78	\$ 1,162.76	\$ 1,285.22	\$ 1,407.14	\$ 1,530.22	
Energy Service Advisor	35 Hrs	\$ 1,101.78	\$ 1,162.76	\$ 1,285.22	\$ 1,407.14	\$ 1,530.22	
Senior Office Clerk Level 3	35 Hrs	\$ 1,101.78	\$ 1,162.76	\$ 1,285.22	\$ 1,407.14	\$ 1,530.22	
End User Support Rep.	35 Hrs	\$ 1,103.07	\$ 1,164.52	\$ 1,286.90	\$ 1,410.89	\$ 1,531.66	
Electrical Service Inspector	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
Engineering Tech. Level 2	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
Facilities Tech. Level 1	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
Field Tester	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
<b>Plant Damage Prevention Inspector</b>	<b>35 Hrs</b>	<b>\$ 1,133.67</b>	<b>\$ 1,191.81</b>	<b>\$ 1,307.58</b>	<b>\$ 1,423.37</b>	<b>\$ 1,539.15</b>	<b>\$ 1,654.92</b>
Project Scheduler	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
Rates Technician	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
Research Assistant	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
Scada/DMS Sys. Tech.	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
Senior Office Clerk Level 4	35 Hrs	\$ 1,133.67	\$ 1,191.81	\$ 1,307.58	\$ 1,423.37	\$ 1,539.15	\$ 1,654.92
Plant Locator	35 Hrs	\$ 1,136.95	\$ 1,200.09	\$ 1,326.43	\$ 1,452.78	\$ 1,579.09	
Demand Clerk	35 Hrs	\$ 1,145.98	\$ 1,209.72	\$ 1,336.70	\$ 1,464.18	\$ 1,591.19	
Lab Technician	35 Hrs	\$ 1,147.28	\$ 1,224.02	\$ 1,377.44	\$ 1,529.56		
Telecom Analyst	35 Hrs	\$ 1,186.82	\$ 1,247.19	\$ 1,368.57	\$ 1,489.92	\$ 1,610.72	\$ 1,732.66
General Service Billing Specialist	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Accounting Clerk Level 3	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Engineering Tech. Level 3	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Fleet Technical Clerk	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Material Analyst*	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Meter Technician	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Programmer/Analyst	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Scada Technician	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65

\*See Inside Classification Schedule Job Harmonization

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2016 to January 31, 2017)**

Classification	Hours	Start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo
Technical Clerk	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Stations Equipment Tester	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Senior Lab Technician	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Sr. Electrical Service Inspector	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Billing Settlement Specialist (TH Energy)	35 Hrs	\$ 1,218.68	\$ 1,281.35	\$ 1,405.49	\$ 1,530.22	\$ 1,654.92	\$ 1,779.65
Telecom Technician Level 2	35 Hrs	\$ 1,241.59	\$ 1,305.35	\$ 1,431.75	\$ 1,558.73	\$ 1,686.25	\$ 1,812.64
Civil Designer	35 Hrs	\$ 1,241.59	\$ 1,305.35	\$ 1,431.75	\$ 1,558.73	\$ 1,686.25	\$ 1,812.64
Design Tech. Level 1*	35 Hrs	\$ 1,241.59	\$ 1,305.35	\$ 1,431.75	\$ 1,558.73	\$ 1,686.25	\$ 1,812.64
Engineering Technologist Level 1	35 Hrs	\$ 1,241.59	\$ 1,305.35	\$ 1,431.75	\$ 1,558.73	\$ 1,686.25	\$ 1,812.64
Program Scheduler	35 Hrs	\$ 1,241.59	\$ 1,305.35	\$ 1,431.75	\$ 1,558.73	\$ 1,686.25	\$ 1,812.64
Treasury & Accounting Analyst	35 Hrs	\$ 1,263.47	\$ 1,327.74	\$ 1,456.94	\$ 1,586.14	\$ 1,715.29	\$ 1,843.92
Buyer*	35 Hrs	\$ 1,263.47	\$ 1,327.74	\$ 1,456.94	\$ 1,586.14	\$ 1,715.29	\$ 1,843.92
Supply Chain Specialist	35 Hrs	\$ 1,263.47	\$ 1,327.74	\$ 1,456.94	\$ 1,586.14	\$ 1,715.29	\$ 1,843.92
Civil Technician	35 Hrs	\$ 1,263.47	\$ 1,327.74	\$ 1,456.94	\$ 1,586.14	\$ 1,715.29	\$ 1,843.92
Facilities Tech. Level 2	35 Hrs	\$ 1,263.47	\$ 1,327.74	\$ 1,456.94	\$ 1,586.14	\$ 1,715.29	\$ 1,843.92
Design Tech. Level 2*	35 Hrs	\$ 1,324.93	\$ 1,392.63	\$ 1,527.98	\$ 1,663.85	\$ 1,798.63	\$ 1,933.99
Energy Service Tech.	35 Hrs	\$ 1,324.93	\$ 1,392.63	\$ 1,527.98	\$ 1,663.85	\$ 1,798.63	\$ 1,933.99
Station Designer	35 Hrs	\$ 1,324.93	\$ 1,392.63	\$ 1,527.98	\$ 1,663.85	\$ 1,798.63	\$ 1,933.99
System Perf. Tech. Level 2*	35 Hrs	\$ 1,324.93	\$ 1,392.63	\$ 1,527.98	\$ 1,663.85	\$ 1,798.63	\$ 1,933.99
Engineering Technologist Level 2	35 Hrs	\$ 1,324.93	\$ 1,392.63	\$ 1,527.98	\$ 1,663.85	\$ 1,798.63	\$ 1,963.56
Station Inspector	40 Hrs	\$ 1,103.89	\$ 1,177.37	\$ 1,324.39	\$ 1,471.40		
Garage Clerk	40 Hrs	\$ 1,147.28	\$ 1,224.02	\$ 1,377.44	\$ 1,529.56		
Customer Enquiry Clerk	40 Hrs	\$ 1,194.63	\$ 1,274.54	\$ 1,433.67	\$ 1,592.86		
Telecommunications Technologist	40 Hrs	\$ 1,195.38	\$ 1,396.74	\$ 1,571.33	\$ 1,745.92		
U.G. Const. Field Tech.*	40 Hrs	\$ 1,199.77	\$ 1,279.66	\$ 1,440.04	\$ 1,599.87		
Engineering Cost Clerk	40 Hrs	\$ 1,241.94	\$ 1,325.02	\$ 1,490.59	\$ 1,656.12		
Cable Locate Dispatcher	40 Hrs	\$ 1,284.70	\$ 1,367.73	\$ 1,445.45	\$ 1,509.57		
Dispatcher*	40 Hrs	\$ 1,284.70	\$ 1,367.73	\$ 1,445.45	\$ 1,509.57		
Protection & Control Tech*	40 Hrs	\$ 1,350.58	\$ 1,418.97	\$ 1,557.05	\$ 1,695.75	\$ 1,833.18	\$ 1,971.22
Customer Service Rep (Dispatcher) Shift	40 Hrs	\$ 1,284.65	\$ 1,367.73	\$ 1,445.45	\$ 1,509.57	\$ 1,611.62	\$ 1,713.65

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2016 to January 31, 2017)**

Students - Clerical	35 Hrs		\$ 706.26	
Students - Field	40 Hrs		\$ 740.86	
Students - Technical	40 Hrs		\$ 740.86	
Students - Sr. Technical	40 Hrs		\$ 856.43	

\*See Inside Classification Schedule Job Harmonization

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2017 to January 31, 2018)**

Classification	Hours	Start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo
Printer	35 Hrs	\$ 891.62	\$ 950.95	\$ 1,070.20	\$ 1,188.88		
Accounting Clerk Level 1	35 Hrs	\$ 928.75	\$ 990.36	\$ 1,114.14	\$ 1,237.90		
Office Clerk	35 Hrs	\$ 928.75	\$ 990.36	\$ 1,114.14	\$ 1,237.90		
Engineering Records Tech.	35 Hrs	\$ 1,001.16	\$ 1,067.92	\$ 1,201.42	\$ 1,334.88		
Accounting Clerk Level 2	35 Hrs	\$ 1,078.76	\$ 1,139.23	\$ 1,259.04	\$ 1,378.84	\$ 1,498.61	
Computer Operator	35 Hrs	\$ 1,078.76	\$ 1,139.23	\$ 1,259.04	\$ 1,378.84	\$ 1,498.61	
Energy Service Clerk	35 Hrs	\$ 1,078.76	\$ 1,139.23	\$ 1,259.04	\$ 1,378.84	\$ 1,498.61	
System Perf. Tech. Level 1*	35 Hrs	\$ 1,078.76	\$ 1,139.23	\$ 1,259.04	\$ 1,378.84	\$ 1,498.61	
Telecom Field Technician	35 Hrs	\$ 1,078.76	\$ 1,139.23	\$ 1,259.04	\$ 1,378.84	\$ 1,498.61	
Telecom Technician Level 1	35 Hrs	\$ 1,078.76	\$ 1,139.23	\$ 1,259.04	\$ 1,378.84	\$ 1,498.61	
U.G. Field Technician	35 Hrs	\$ 1,078.76	\$ 1,139.23	\$ 1,259.04	\$ 1,378.84	\$ 1,498.61	
Senior Office Clerk Level 1	35 Hrs	\$ 1,080.49	\$ 1,152.36	\$ 1,296.73	\$ 1,440.99		
Customer Service Rep.	35 Hrs	\$ 1,101.56	\$ 1,162.61	\$ 1,284.70	\$ 1,407.36	\$ 1,529.43	
Senior Office Clerk Level 2	35 Hrs	\$ 1,101.56	\$ 1,162.61	\$ 1,284.70	\$ 1,407.36	\$ 1,529.43	
Customer Service Advisor	35 Hrs	\$ 1,123.82	\$ 1,186.02	\$ 1,310.92	\$ 1,435.28	\$ 1,560.82	
Energy Service Advisor	35 Hrs	\$ 1,123.82	\$ 1,186.02	\$ 1,310.92	\$ 1,435.28	\$ 1,560.82	
Senior Office Clerk Level 3	35 Hrs	\$ 1,123.82	\$ 1,186.02	\$ 1,310.92	\$ 1,435.28	\$ 1,560.82	
End User Support Rep.	35 Hrs	\$ 1,125.13	\$ 1,187.81	\$ 1,312.64	\$ 1,439.11	\$ 1,562.29	
Electrical Service Inspector	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
Engineering Tech. Level 2	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
Facilities Tech. Level 1	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
Field Tester	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
<b>Plant Damage Prevention Inspector</b>	<b>35 Hrs</b>	<b>\$ 1,156.34</b>	<b>\$ 1,215.65</b>	<b>\$ 1,333.73</b>	<b>\$ 1,451.84</b>	<b>\$ 1,569.93</b>	<b>\$ 1,688.02</b>
Project Scheduler	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
Rates Technician	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
Research Assistant	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
Scada/DMS Sys. Tech.	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
Senior Office Clerk Level 4	35 Hrs	\$ 1,156.34	\$ 1,215.65	\$ 1,333.73	\$ 1,451.84	\$ 1,569.93	\$ 1,688.02
Plant Locator	35 Hrs	\$ 1,159.69	\$ 1,224.09	\$ 1,352.96	\$ 1,481.84	\$ 1,610.67	
Demand Clerk	35 Hrs	\$ 1,168.90	\$ 1,233.91	\$ 1,363.43	\$ 1,493.46	\$ 1,623.01	
Lab Technician	35 Hrs	\$ 1,170.23	\$ 1,248.50	\$ 1,404.99	\$ 1,560.15		
Telecom Analyst	35 Hrs	\$ 1,210.56	\$ 1,272.13	\$ 1,395.94	\$ 1,519.72	\$ 1,642.93	\$ 1,767.31
General Service Billing Specialist	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Accounting Clerk Level 3	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Engineering Tech. Level 3	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Fleet Technical Clerk	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Material Analyst*	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Meter Technician	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Programmer/Analyst	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Scada Technician	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24

\*See Inside Classification Schedule Job Harmonization



**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2017 to January 31, 2018)**

Classification	Hours	Start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo
Technical Clerk	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Stations Equipment Tester	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Senior Lab Technician	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Sr. Electrical Service Inspector	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Billing Settlement Specialist (TH Energy)	35 Hrs	\$ 1,243.05	\$ 1,306.98	\$ 1,433.60	\$ 1,560.82	\$ 1,688.02	\$ 1,815.24
Telecom Technician Level 2	35 Hrs	\$ 1,266.42	\$ 1,331.46	\$ 1,460.39	\$ 1,589.90	\$ 1,719.98	\$ 1,848.89
Civil Designer	35 Hrs	\$ 1,266.42	\$ 1,331.46	\$ 1,460.39	\$ 1,589.90	\$ 1,719.98	\$ 1,848.89
Design Tech. Level 1*	35 Hrs	\$ 1,266.42	\$ 1,331.46	\$ 1,460.39	\$ 1,589.90	\$ 1,719.98	\$ 1,848.89
Engineering Technologist Level 1	35 Hrs	\$ 1,266.42	\$ 1,331.46	\$ 1,460.39	\$ 1,589.90	\$ 1,719.98	\$ 1,848.89
Program Scheduler	35 Hrs	\$ 1,266.42	\$ 1,331.46	\$ 1,460.39	\$ 1,589.90	\$ 1,719.98	\$ 1,848.89
Treasury & Accounting Analyst	35 Hrs	\$ 1,288.74	\$ 1,354.29	\$ 1,486.08	\$ 1,617.86	\$ 1,749.60	\$ 1,880.80
Buyer*	35 Hrs	\$ 1,288.74	\$ 1,354.29	\$ 1,486.08	\$ 1,617.86	\$ 1,749.60	\$ 1,880.80
Supply Chain Specialist	35 Hrs	\$ 1,288.74	\$ 1,354.29	\$ 1,486.08	\$ 1,617.86	\$ 1,749.60	\$ 1,880.80
Civil Technician	35 Hrs	\$ 1,288.74	\$ 1,354.29	\$ 1,486.08	\$ 1,617.86	\$ 1,749.60	\$ 1,880.80
Facilities Tech. Level 2	35 Hrs	\$ 1,288.74	\$ 1,354.29	\$ 1,486.08	\$ 1,617.86	\$ 1,749.60	\$ 1,880.80
Design Tech. Level 2*	35 Hrs	\$ 1,351.43	\$ 1,420.48	\$ 1,558.54	\$ 1,697.13	\$ 1,834.60	\$ 1,972.67
Energy Service Tech.	35 Hrs	\$ 1,351.43	\$ 1,420.48	\$ 1,558.54	\$ 1,697.13	\$ 1,834.60	\$ 1,972.67
Station Designer	35 Hrs	\$ 1,351.43	\$ 1,420.48	\$ 1,558.54	\$ 1,697.13	\$ 1,834.60	\$ 1,972.67
System Perf. Tech. Level 2*	35 Hrs	\$ 1,351.43	\$ 1,420.48	\$ 1,558.54	\$ 1,697.13	\$ 1,834.60	\$ 1,972.67
Engineering Technologist Level 2	35 Hrs	\$ 1,351.43	\$ 1,420.48	\$ 1,558.54	\$ 1,697.13	\$ 1,834.60	\$ 2,002.83
Station Inspector	40 Hrs	\$ 1,125.97	\$ 1,200.92	\$ 1,350.88	\$ 1,500.83		
Garage Clerk	40 Hrs	\$ 1,170.23	\$ 1,248.50	\$ 1,404.99	\$ 1,560.15		
Customer Enquiry Clerk	40 Hrs	\$ 1,218.52	\$ 1,300.03	\$ 1,462.34	\$ 1,624.72		
Telecommunications Technologist	40 Hrs	\$ 1,219.29	\$ 1,424.67	\$ 1,602.76	\$ 1,780.84		
U.G. Const. Field Tech.*	40 Hrs	\$ 1,223.77	\$ 1,305.25	\$ 1,468.84	\$ 1,631.87		
Engineering Cost Clerk	40 Hrs	\$ 1,266.78	\$ 1,351.52	\$ 1,520.40	\$ 1,689.24		
Cable Locate Dispatcher	40 Hrs	\$ 1,310.39	\$ 1,395.08	\$ 1,474.36	\$ 1,539.76		
Dispatcher*	40 Hrs	\$ 1,310.39	\$ 1,395.08	\$ 1,474.36	\$ 1,539.76		
Protection & Control Tech*	40 Hrs	\$ 1,377.59	\$ 1,447.35	\$ 1,588.19	\$ 1,729.67	\$ 1,869.84	\$ 2,010.64
Customer Service Rep (Dispatcher) Shift	40 Hrs	\$ 1,310.34	\$ 1,395.08	\$ 1,474.36	\$ 1,539.76	\$ 1,643.85	\$ 1,747.92

**Schedule I**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2017 to January 31, 2018)**

Students - Clerical	35 Hrs		\$ 706.26	
Students - Field	40 Hrs		\$ 740.86	
Students - Technical	40 Hrs		\$ 740.86	
Students - Sr. Technical	40 Hrs		\$ 856.43	

\*See Inside Classification Schedule Job Harmonization

## LETTER OF INTENT #1

TORONTO HYDRO

December 19, 2008

Mr. Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo:

Re: Compressed Work Week

This will confirm our agreement at negotiations regarding a Compressed Work Week in the Inside Collective Agreement that will improve operational efficiency, productivity and customer service.

The Compressed Work Week shall be established as follows:

- a Department may identify projects or activities to be scheduled on a compressed work week;
- a meeting with the volunteer employees will be held for the purposes of discussing the number of employees needed, the length of the projects or activities, and the project plan expectations;
- continuation of the Compressed Work Week is contingent on achieving favourable results against the project plan expectations;
- adequate coverage must be provided during a compressed work week;
- the compressed work week will generally be for the period from May to September, or longer if daylight is not a factor;
- there shall be no compressed work week in areas where road restrictions exist;
- employees may volunteer to be considered to work a compressed work week;

- employees shall have the right to refuse to participate in a compressed work week;
- assignment to the compressed work week will be at the discretion of the Employer, and will be provided as equitably as practicable;
- a compressed work week will not commence without four (4) weeks' notice, unless both parties agree otherwise;
- the work week shall be four (4) consecutive days, between Monday and Friday, with a start time no earlier than 6:30 a.m. and a stop time no later than 6:30 p.m. Time worked outside of the prearranged compressed work week period shall be paid in accordance with Article 33.
- Article 33.01 shall not apply to employees while working a compressed work week. Forty (40) hour week employees shall have a one-half (1/2) hour paid lunch in accordance with Article 33.01;
- There shall be no Compressed Work Week schedule should a Public Holiday occur in that week.

Sincerely,

Ave Lethbridge, Vice-President  
Organizational Effectiveness,  
Environment, Health and Safety

## **LETTER OF INTENT #2**

TORONTO HYDRO

December 7, 2005

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Part Time Employees

For the duration of the Collective Agreement six (6) employees in the Customer Care Department may work on a part time basis. When part time employees are used they will fill lower classifications in the Department.

Sincerely,

Ave Lethbridge, Vice-President  
Organizational Effectiveness

## **LETTER OF INTENT #3**

**TORONTO HYDRO**

December 17, 2002

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Resource Balancing

This will confirm our discussions during negotiations that in order to minimize disruption to employees and operations resulting from employee surplus, the parties have agreed to a Resource Balancing process as set out below.

The Employer and the Union will mutually agree before utilizing the Resource Balancing process.

When the Employer determines that there is a surplus of employees, due to shortage of work, the Employer will provide notice to the Union under Retrogression Article 31.01.

The Employer will, during the two (2) month notice period, review the status of vacancies in the organization to determine if there is an opportunity to match the surplus employees with vacancies and proceed to fill those vacancies during the notice period.

Surplus employees will, on the basis of seniority and on a voluntary basis, be offered the opportunity to fill any vacancy for which they are qualified. The requirement to post notice of such vacancy under Article 10.01 (d) is waived during the Resource Balancing process. Employee shall receive an increase as follows:

- (a) If the present rate is below minimum rate of new classification, s/he shall receive minimum rate of new classification; new anniversary date.
- (b) If present rate is within the wage range of new classification, s/he shall be paid at the next step in the new classification which is closest to their existing rate of pay, providing the maximum rate of the new classification is sufficiently higher to permit it; new anniversary date.
- (c) Notwithstanding the above, no employee may receive the maximum rate of a position until s/he has been performing satisfactorily in the position for six (6) months.

Surplus employees not placed under the Resource Balancing process will be covered by Retrogression under Article 31 of their respective Collective Agreement.

This letter will expire at the end of the term of the Collective Agreement unless renewed.

Yours truly,

David Scott,  
Vice-President, Human Resources

## **LETTER OF INTENT #4**

TORONTO HYDRO

March 11, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Benefit Plans of Existing Retirees

Existing retirees will retain their current benefit coverage according to their previous utility.

Yours truly,

David Scott,  
Vice-President, Human Resources

## **LETTER OF INTENT #5**

TORONTO HYDRO

March 11, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Use of Temporary Staff

When Temporary Staff are used, they will be used to fill lower classifications in the Department at that location. An exception to this practice only occurs if this creates operational hardship.

Yours truly,

David Scott,  
Vice-President, Human Resources



## LETTER OF INTENT #6

TORONTO HYDRO

June 17, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

As a result of harmonization which Arbitrator Adams has ruled to have occurred in contrast to multi-skilling, employees will be required to perform new job duties or acquire new qualifications which relate to their positions. Employees who are unable, after adequate training or orientation, as the case may be, to perform such duties or acquire such new qualifications will be reasonably accommodated by the Employer by remaining in their previous job classifications and previous wage rate (and will receive all future general increases) provided the employee has engaged in all reasonable efforts to assume the new duties or acquire the new qualifications.

This understanding needs to be renewed at the expiration of the current Collective Agreement otherwise it expires.

Yours truly,

David Scott,  
Vice-President, Human Resources

## **LETTER OF INTENT #7**

TORONTO HYDRO

August 17, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Lunch Period

If the Employer decides to change the current practice of the lunch periods being between the hours of 1200 and 1400 for Inside employees, the Employer will give the Union notification of at least thirty (30) days prior to any change. With the permission of the Employer, employees will have the option of changing their one (1) hour unpaid lunch to a half (1/2) hour unpaid lunch. Permission will not be unreasonably withheld.

Yours truly,

David Scott,  
Vice-President, Human Resources

## LETTER OF INTENT #8

TORONTO HYDRO

**February 5, 2014**

**John Camilleri, President**  
CUPE Local One  
**15 Gervais Drive, Suite 700**  
Toronto, Ontario  
**M3C 1Y8**

Dear Mr. **Camilleri**:

Re: Toronto Hydro's Post Retirement Benefits Program

This is to confirm our discussions at negotiations concerning retiree benefits.

It is agreed that employees in the bargaining unit, who retire and receive a pension, on or after ratification of this agreement, shall be entitled to receive Toronto Hydro's Post Retirement Benefits Program dated **January 2009** with the following amendments:

- Schedule A will be extended to December 31, 2020.
- Upon death of retiree, the surviving spouse will continue to receive the same medical and hospital services coverage.
- For greater clarity, this is to confirm that the lifetime maximum caps for both Health and Dental benefits for Schedule A and Schedule B are removed and that Schedule C will continue.
- **Employees hired on or after February 1, 2014 shall only be eligible for Schedule C Post Retirement Benefits. For greater clarity, employees hired on or after February 1, 2014 shall not be eligible for Schedule A or Schedule B Post Retirement Benefits.**

Yours truly,

**Helia Ralph,**  
**Director, Employee Labour Relations**

## LETTER OF INTENT #9

TORONTO HYDRO

**January 24, 2014**

**John Camilleri, President**  
CUPE Local One  
**15 Gervais Drive, Suite 700**  
Toronto, Ontario  
**M3C 1Y8**

Dear Mr. **Camilleri**:

Re: Temporary and Indefinite Relocation of Employees within the City of Toronto

This will confirm our discussion in negotiations regarding the desire to have a structured approach when employees are reassigned to the various home work centres. We also agreed that, in some cases, having **employees** report directly to the job site will improve operational efficiency, productivity and customer service.

The following sets out the agreed process to accomplish the relocation of employees:

### Temporary Relocation (greater than 2 weeks) to another Work Centre

Definition: The Employee will return to the home work centre eventually

- Employer determines requirement and work location of employees to be moved.
- Notice provided to the Union
- Notice posted at source **home work centre**, including approximate duration **and the affected classification(s)**
- Reassignment offered to senior qualified employee(s) in classification from source **home work centre**
- If insufficient number of senior qualified volunteers, junior qualified employee(s) from source **home work centre** is reassigned

- **Reporting to another work centre will not commence without two (2) weeks' notice, unless both parties agree otherwise**
- **Employer will make necessary arrangements for employee parking**

#### Temporary Relocation – Reporting Directly to the Job Site

Definition: The Employee will return to the home work centre eventually

- Employer determines requirement and identifies **employee(s)** to report to job site
- Employer determines duration of assignment, which may be limited by duration of project, or by logistical considerations
- Distance of assignment to be within the serviced territory of **the employer (City of Toronto)**
- Reporting to the job site will not commence without two (2) weeks' notice, unless both parties agree otherwise
- **Assignment may be offered on a rotational basis within a department**
- Employer will make necessary arrangements for employee parking

#### Indefinite Relocation to another Work Centre

Definition: The Employee(s) is not expected to return to home work centre

- Employer determines requirement and source **home work centre** of employees **to be moved**
- Notice provided to the Union
- Notice posted first in the source **home work centre**
- **Reporting to another work centre will not commence without two (2) weeks' notice, unless both parties agree otherwise**
- Senior employee(s) who volunteers in classification and in source **home work centre** transfers
- If insufficient numbers of volunteers from source **home work centre**, the Employer will consider volunteers from other work centres on the basis of seniority and availability
- Notice posted system-wide for interested volunteers
- If numbers of volunteers are still insufficient, junior employee(s) will be assigned from the source **home work centre**
- **Employer will make necessary arrangements for employee parking**

### **Employee Request for Relocation to another Home Work Centre**

- **Two employees in the same classification who report to different home work centres may submit a request to their Supervisors to exchange home work centres**
- **Such requests for exchange will be determined at the Employer's sole discretion**

N.B. Seniority for the purposes of relocation is the length of service in a classification.

**N.B. The Employer will provide employees with written confirmation of the relocation.**

Yours truly,

**Helia Ralph**  
**Director, Employee Labour Relations**

## **LETTER OF INTENT #10**

TORONTO HYDRO

February 11, 2001

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Further to our discussions in negotiations, this will confirm our position that no bargaining unit employee's job in the LDC will be eliminated as a result of assignment of work to the Retail Affiliate.

This letter will expire at the end of the term of the Collective Agreement unless renewed.

Yours truly,

David Scott,  
Vice-President, Human Resources

## **LETTER OF INTENT #11**

December 21, 2008

Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo:

Re: Health Club Membership

This will confirm our discussion during negotiations regarding fitness membership. In consideration of the importance of employee wellness, the Employer agrees to the following:

- Payment up to \$400.00 per year towards the cost for a health club membership.
- The health club must be recognized/registered fitness institution.
- Employees must submit an expense report including related receipt to Finance for reimbursement.

This letter will expire at the end of the term of the Collective Agreement unless renewed.

Yours truly,

Ave Lethbridge, Vice-President  
Organizational Effectiveness,  
Environment, Health and Safety



## **LETTER OF INTENT #12**

Toronto Hydro

December 22, 2008

Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo:

Re: Job Harmonization

For ease of reference, the Job Classifications harmonized are attached to this letter titled Inside Classification Schedule Job Harmonization.

Yours truly,

Ave Lethbridge, Vice-President  
Organizational Effectiveness &  
Environment, Health and Safety

<b>Inside Classification Schedule Job Harmonization</b>	
<b>New Classification</b>	<b>Previous Classification</b>
Distribution System Technologist (Outside Collective Agreement)	<ul style="list-style-type: none"> <li>• Protection &amp; Control Technician (Moved to the Outside Collective Agreement)</li> </ul>
Engineering Technologist Level 1	<ul style="list-style-type: none"> <li>• Design Technician 1</li> <li>• System Performance Technician 1</li> </ul>
Engineering Technologist Level 2	<ul style="list-style-type: none"> <li>• Design Technician 2</li> <li>• System Performance Technician 2</li> </ul>
Supply Chain Specialist	<ul style="list-style-type: none"> <li>• Buyer</li> <li>• Material Analyst</li> </ul>
Construction Inspector (Outside Collective Agreement)	<ul style="list-style-type: none"> <li>• Underground Construction Field Technician (Moved to the Outside Collective Agreement)</li> </ul>

## **LETTER OF INTENT #13**

TORONTO HYDRO

June 17, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Mapping Document

For ease of reference, the following pages include all the job classifications from the six (6) former utilities that were mapped to the new job classifications in Schedule I.

Yours truly,

David Scott,  
Vice-President, Human Resources

Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
<b>Students</b>		
	Clerical	35
	Field	40
	Technical	40
	Senior Technical	40
<b>Printer</b>		
	Blue Printer ( T )	35
	Engineering Clerk, Level 5 (S)	35
	Blue Print Machine Operator (NY)	35
<b>Accounting Clerk Level 1</b>		
	Senior Typist ( T )	35
	Clerk Grade 2 ( T )	35
	Clerk Grade 3 ( T )	35
	Level 5, Accounting Clerk (S)	35
<b>Office Clerk</b>		
Toronto	Word Processor Grade 2 ( T )	35
	Typist ( T )	35
	Senior Typist ( T )	35
	Stenographer Grd 2 (T)	35
	Stenographer Grade 3 ( T )	35
	Data Entry Clerk Grade 2 ( T )	35
	Clerk Grade 1 ( T )	35
	Clerk Grade 2 ( T )	35
	Clerk Grade 3 ( T )	35
	Receptionist/Centrix Operator(T)	35
Scarborough	Level 2, Billing Clerk (S)	35
	Level 4, Clerk Typist (S)	35
	Level 4, Receptionist Clerk (S)	35
	Level 4, Reference Clerk	35
	Level 5, Cashier Clerk (S)	35
	Level 5, Receptionist/Typist	35
	Level 5, Reference Clerk (S)	35
	Level 5, Switchboard Operator (S)	35
	Level 6, Billing Clerk (S)	35
	Level 6, Cashier (S)	35
North York	Level 6, Data Entry Clerk (S)	35
	Level 6, Senior Mail Clerk	35
	Group 1, Office Clerk (NY)	35
	Group 2, Cashier (NY)	35
	Group 2, Office Services Clerk	35
	Group 3, Switchboard Operator	35

Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
	Group 4, Clerk Typist	35
East York	Cashier Level 2	35
	E.D.P. Clerk	35
Etobicoke	Grade 3, Office Service Clerk	35
	Grade 4, Cashier (E)	35
	Grade 4, Clerk Receptionist (E)	35
	Grade 5, Clk Typ Cust. Serv. (E)	35
	Grade 5, Energy Mgmt Clerk (E)	35
	Grade 5, Energy Supply Clerk	35
York	Group 3, Cashier (Y)	35
	Group 4, Clerk Typist Engineering (Y)	35
<b>Cable Locate Dispatcher</b>		
Toronto	Dispatch Clerk Grade 2 (T)	40
<b>Station Inspector</b>		
Toronto	Inspector (T)	40
Scarborough	Substation Attendant (S)	40
<b>Engineering Records Technician</b>		
Toronto	Field Technician Grade 1 (T)	35
	Field Technician Grade 2 (T)	35
Scarborough	Level 6, Engineering Clerk (S)	35
North York	Records Operator I (NY)	35
<b>Dispatcher</b>		
Toronto	Dispatch Clerk Grade 3 (T)	40
	Telephone Dispatch (T)	40
North York	Field Services Dispatcher (NY)	40
York	Dispatcher (Y)	40
<b>Garage Clerk</b>		
Toronto	Technical Clerk Garage (T)	40
<b>Lab Assistant</b>		
Toronto	Laboratory Assist. (T)	40

Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
<b>Underground Construction Field Technician</b>		
Toronto	Field Tech UG Construction (T)	40
<b>Warehouse Dispatch Clerk</b>		
Toronto	Dispatch Clerk Grade 3 (T)	40
Scarborough	Stores Records Clerk (S)	35
<b>Customer Enquiry Clerk</b>		
Toronto	Customer Enquiry Clerk Grd 2 (T)	40
	Customer Enquiry Clerk Grd 3 (T)	40
<b>Energy Field Service Representative</b>		
Toronto	Field Rep. Complaint (T)	40
	Customer Service Technician (T)	Shift, 40
	Field Rep. Service Order (T)	40
	Service Electr'n Grade 1 (T)	40
	Service Electr'n Grade 2 (T)	40
East York	Level 7, Customer Service Technician (EY)	35
Etobicoke	Grade 9, Energy Supply Technician (E)	35
<b>Senior Office Clerk Level 1</b>		
Toronto	Clerk Grade 4 (T)	35
	Clerk Grade 5 (T)	35
	Supervisor Clerk Grade 1 (T)	40
	Supervisor Clerk Grade 2 (T)	40
	Technical Clerk Grade 2 (T)	35
	Technical Clerk Grade 3 (T)	35
	Technical Clerk Grade 4 (T)	35
	Technical Clerk Grade 5 (T)	35
	Dispatch Clerk Grade 1 (T)	40
Scarborough	Level 7, Billing Clerk (S)	35
	Level 7, Secretary (S)	35
	Level 8, Sr. Billing Clerk (S)	35
North York	Group 4, Customer Data Clerk (NY)	35
	Group 6, Senior Clerk Operations (NY)	35
Etobicoke	Grade 8, Distribution Engineering Clerk (E)	35
	Engineering Service Office Clerk (E)	35
York	Level 6, M.I.S. Clerk (Y)	35

Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
<b>Engineering Cost Clerk</b>		
Scarborough	Project Planner/Design & Construction (S)	40
	Project Planner/Standards & Maintenance (S)	40
	Level 6, Engineering Clerk (S)	40
North York	Construction Clerk (NY)	40
Etobicoke	Grade 5, Eng. Serv. Clerk (E)	40
<b>Accounting Clerk Level 2</b>		
Toronto	Clerk Grade 5 (T)	35
	Clerk Grade 6 (T)	35
Scarborough	Level 7, Accounting Clerk (S)	35
<b>Computer Operator</b>		
Toronto	Computer Operator	35
Scarborough	Level 7, Computer Operator (S)	35
North York	Group 10, Computer Machine Operator (NY)	35
Etobicoke	Grade 7, Computer Operator (E)	35
<b>Energy Service Clerk</b>		
Toronto	Clerk Grade 5 (T)	35
	Clerk Grade 6 (T)	35
	Technical Clerk Grade 6 (T)	35
Scarborough	Meter Records Clerk (S)	35
	Level 7, Senior Meter Records Clerk (S)	35
	One Stop Shopping Consultant (S)	35
North York	Office Clerk- Meter Group 1 (NY)	35
Etobicoke	Grade 5, Meter/ Water Heater Office Clerk (E)	40
	Meter/Water Heater Information Clerk (E)	40
	Grade 7, Cust. Accts. Field Services Clerk (E)	35
York	Meter Department Clerk Level 3 (Y)	35

Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
<b>System Performance Technician Level 1</b>		
Toronto	Field Tech Grade 1 (T)	35
	Field Tech Grade 2 (T)	35
	Field Tech Grade 4 (T)	35
<b>Telecom Field Technician</b>		
Toronto	Field Technician Grade 4	35
<b>Telecom Technician Level 1</b>		
Toronto	Telecom Technician	35
<b>Underground Field Technician</b>		
Toronto	Field Tech Grade 2 (T)	35
	Field Tech Grade 4 (T)	35
<b>Customer Service Representative</b>		
Toronto	Customer Service Clerk (T)	35
	Clerk Grade 6 (T)	35
	Customer Accounts Representative (T)	35
	Teller (T)	35
Scarborough	Customer Service Representative (S)	35
	Level 7, Collection Clerk (S)	35
	Level 8, Sr. Cashier (S)	35
	Level 8, Customer Consultant (S)	35
North York	Customer Information Clerk (NY)	35
	Sr. Cashier (NY)	35
Etobicoke	Group 7, Customer Accts Operating Rep. (E)	35
	Customer Accts Information Rep. (E)	35
York	Level 4, Senior Collection Clerk (Y)	35
	Level 5, Customer Consultant (Y)	35
	Level 6, Collection Officer (Y)	35
East York	Level 3, Accts. Receivable (EY)	35
	Level 3, Cust. Inquiry Clerk (EY)	35
	Level 4, Cust. Service Rep (EY)	35
	Level 4, Sr. Cust. Inquiry Clk (EY)	35
<b>Senior Office Clerk Level 2</b>		
Toronto	Clerk Grade 6 (T)	35



Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
<b>Customer Service Advisor</b>		
Toronto	Collection Clerk Grade 3 (T)	35
	Clerk Grade 7 (T)	35
Scarborough	Level 9, Senior Customer Accts Cons (S)	35
	Level 9, Senior Collector (S)	35
	Level 9, Senior Customer Consultant (S)	35
Etobicoke	CA/CC Unit Head (E)	35
York	Level 7, Senior Customer Consultant (Y)	35
	Asst. Billing Supervisor (Y)	35
	Level 8, Billing Supervisor (Y)	35
	Level 8, Customer Accounts Supervisor (Y)	35
<b>Energy Service Advisor</b>		
Toronto	Conservation Field Rep. (T)	35
Scarborough	Level 9, Customer Advisor (S)	35
York	Level 5, Consumer Service Clerk (Y)	35
	Service Representative (Y)	35
East York	Customer Service Representative (EY)	35
Etobicoke	Level 8, Energy Management (E)	35
	Level 8, Residential Energy Advisor (E)	35
<b>Plant Locator</b>		
Toronto	Field Technician Grade 3	35
	Field Technician Grade 5	35
<b>Senior Office Clerk Level 3</b>		
Toronto	Clerk Grade 7 (T)	35
	Technical Clerk Grade 7 (T)	35
<b>Demand Clerk</b>		
Toronto	Demand Clerk Grade 1 (T)	35
	Demand Clerk Grade 2 (T)	35
	Demand Clerk Grade 3 (T)	35
	Technical Clerk Grade 6 (T)	35
York	Level 6, General Service Billing Clerk (Y)	35

Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
<b>Electrical Service Inspector</b>		
Toronto	Field Rep. Power Service (T)	35
	Field Rep. Grade 1 (T)	40
	Field Rep. Grade 2 (T)	40
	Field Rep. Grade 3 (T)	40
<b>Engineering Technician Level 2</b>		
Toronto	Field Tech Grade 4 (T)	35
	Tech Assist. Grade 1 (T)	35
	Draftsperson Grade A (T)	35
	Draftsperson Grade B (T)	35
North York	CADD Operator 1 (NY)	40
	CADD Operator 2 (NY)	40
	Records Operator 1 (NY)	40
	Records Operator 2 (NY)	40
	Senior Drafter (NY)	40
	Field Checker (NY)	40
Scarborough	CADD Operator (S)	35
Etobicoke	Design Clerk (E)	35
	Draftsperson (E)	35
	Engineering Records Clerk (E)	35
	GEM Clerk (E)	35
	Records Assistant (E)	35
	Records Operator II (E)	35
<b>Facilities Technician Level 1</b>		
Toronto	Assistant Estimator (T)	35
	Facilities Planner (T)	35
<b>Field Tester</b>		
Toronto	Field Tester Grade1 (T)	35
	Field Tester Grade 2 (T)	35
	Field Tester Grade 3 (T)	35
<b>Project Scheduler</b>		
Toronto	Tech Clerk Grade 7 (T)	35
	Tech Assist. Grade 1 (T)	35
<b>Rates Technician</b>		
Toronto	Tech Assist .Grade 1 (T)	35

<b>Inside Classification Schedule Mapping Document</b>		
<b>New Classification</b>	<b>Job Mapping</b>	<b>Hrs/Wk</b>
<b>Research Assistant</b>		
Toronto	Tech Assist. Grade 1 (T)	35
<b>SCADA/DMS System Technician</b>		
Toronto	Tech Assist. Grade 1 (T)	35
<b>Senior Office Clerk Level 4</b>		
Toronto	Clerk Grade 8 (T)	35
<b>Telecom Technician Level 2</b>		
Toronto	Tech Assist .Grade 1 (T)	35
<b>Protection &amp; Control Technician</b>		
Toronto	Protection & Control Technician (T)	40
	Relay Meter Test (T)	40
<b>Telecom Analyst</b>		
Toronto	Telecom Analyst (T)	35
<b>Accounting Clerk Level 3</b>		
Toronto	Clerk Grade 7 (T)	35
	Clerk Grade 8 (T)	35
	Clerk Grade 9 (T)	35
Scarborough	Level 9, Financial Analyst (S)	35
North York	Senior Accounting Clerk (NY)	35
York	Senior Accounting Clerk (Y)	35
<b>End User Support Representative</b>		
Toronto	Tech Assist. Grade 2 (T)	35
Scarborough	Level 9, End User Support Analyst (S)	35
Etobicoke	Grade 9, Support Services Unit Head (E)	35
<b>Engineering Technician Level 3</b>		
Toronto	CADD AM/FM Operator (T)	35
Scarborough	AM/FM Programmer (S)	35
	AM/FM Programmer/Trainer (S)	35

Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
<b>Fleet Technical Clerk</b>		
Toronto	Tech Assist. Grade 2 (T)	35
<b>Material Analyst</b>		
Toronto	Tech Clerk Grade 8 (T)	35
<b>Meter Technician</b>		
Toronto	Tech Assist Grade 2 (T)	35
<b>Programmer Analyst</b>		
Toronto	Information Centre Analyst (T)	35
	Programmer (T)	35
	Programmer/Analyst (T)	35
	Software Analyst (T)	35
	Systems Analyst (T)	35
Scarborough	Level 10, Programmer/Analyst (S)	35
	Level 11, Senior Programr/Analyst (S)	35
	Level 11, Systems Programmer (S)	35
North York	Group 12, Programmer (NY)	35
	Group 13, Programmer/Analyst (NY)	35
Etobicoke	Programmer/Analyst (E)	35
<b>SCADA Technician</b>		
Toronto	Tech Assist. Grade 2 (T)	35
<b>Stations Equipment Tester</b>		
Toronto	Tech Assist. Grade 2 (T)	35
<b>Civil Designer</b>		
Toronto	Field Tech Grade 5 (T)	35
	Tech Assist. Grade 2 (T)	35
<b>Design Technician Level 1</b>		
Toronto	Design Draftsperson Grade C (T)	35
	Field Tech Grade 2 (T)	35
	Senior Draftsperson (T)	35
	Tech Assist. Grade 1 (T)	35
North York	Technical Coordinator (NY)	40

<b>Inside Classification Schedule Mapping Document</b>		
<b>New Classification</b>	<b>Job Mapping</b>	<b>Hrs/Wk</b>
<b>Buyer</b>		
Toronto	Purchasing Clerk Grade 1 (T)	35
	Purchasing Clerk Grade 2 (T)	35
	Purchasing Clerk Grade 3 (T)	35
Scarborough	Buyer (S)	35
	Senior Buyer (S)	35
North York	Purchasing Clerk (NY)	35
Etobicoke	Grade 8, Buyer/Expeditor (E)	35
York	Purchasing Clerk (Y)	35

<b>Civil Technician</b>		
Toronto	Tech Assist. Grade 3 (T)	35

<b>Facilities Technician level 2</b>		
Toronto	Tech Assist. Grade 3 (T)	35

<b>Design Technician Level 2</b>		
Toronto	Estimator (T)	35
	Field Tech Grade 4 (T)	35
	Planners (T)	35
	Power Reps. (T)	35
	Senior Estimator (T)	35
	Senior Planner (T)	35
	Tech Assist. Grade 1 (T)	35
	Tech Assist. Grade 2 (T)	35
	Tech Assist. Grade 3 (T)	35
	Tech Clerk Grade 7 (T)	35
Scarborough	Technician Design & Construction (S)	35
	Technician, Surveying (S)	35
North York	Consumer Service Tech, Electric Supply (NY)	40
	Engineering Technician (NY)	40
Etobicoke	Level I, Engineering Technician (E)	35
	Level II, Engineering Technician (E)	35
	Engineering Service Technician (E)	35
	Installation Technician (E)	35
	Project Technician (E)	35
East York	Level 5, Engineering Technician (EY)	35
	Level 6, Senior Engineering Technician (EY)	35

Inside Classification Schedule Mapping Document		
New Classification	Job Mapping	Hrs/Wk
<b>Energy Service Technician</b>		
Toronto	Conservation Technician (T)	35
Scarborough	Level 10, Customer Advisor (S)	35
	Level 11, Senior Technician (S)	35
North York	Cons. Service Tech. Energy Services (NY)	40
Etobicoke	Energy Management Technician (E)	35
York	Senior Service Representative (Y)	35
East York	Customer Service Technician (EY)	35
<b>Station Designer</b>		
Toronto	Designer (T)	35
	Design Draftsperson Grade B (T)	35
<b>System Performance Technician Level 2</b>		
Toronto	Assistant Estimator (T)	35
	Estimator (T)	35
	Field Tech Grade 5 (T)	35
	Tech Assist. Grade 2 (T)	35
	Tech Assist. Grade 3 (T)	35
Scarborough	Technician Planning & Operations (S)	35
	Technician Standards & Maintenance (S)	35
	Operations Analyst (S)	35
North York	Engineering Technician (NY)	40
Etobicoke	Project Technician (E)	35
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LETTER OF CONFIRMATION FORMING PART OF MEMORANDUM OF  
SETTLEMENT

**February 13, 2014**

**John Camilleri, President  
CUPE Local One  
15 Gervais Drive, Suite 700  
Toronto, Ontario  
M3C 1Y8**

Dear Mr. **Camilleri**:

Re: Renewal of Appendixes between Toronto Hydro and CUPE Local No. 1

This will confirm our agreement in negotiations to renew the following Appendices covering both the Inside and Outside Collective Agreements between Toronto Hydro and CUPE Local No. 1 co-incident with the term of the **2014 to 2018** Collective Agreements:

1. Canadian Union of Public Employees, Local No. 1 & Toronto Hydro Energy Services Inc.
2. Canadian Union of Public Employees, Local No. 1 & Toronto Hydro Street Lighting Inc.

This further confirms that the reference in the renewed Appendices to CUPE's Inside and Outside Collective Agreements are references to the **2014 to 2018** Agreements. For greater certainty, this confirms that all changes to the **2014 to 2018** Inside and Outside Collective Agreements apply to all employees of Toronto Hydro Energy Services Inc., and Toronto Hydro Street Lighting Inc.

This letter is effective from this date and in effect so long as the terms and conditions of the Collective Agreements continue to operate.

Yours truly,

**Helia Ralph,  
Director, Employee Labour Relations**

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Toronto Hydro  
Toronto Hydro Electric System  
Toronto Hydro Energy Services Inc.  
Toronto Hydro Street Lighting Inc.

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CUPE Local No. 1

CANADIAN UNION OF PUBLIC EMPLOYEES  
LOCAL NO. 1  
("CUPE Local 1")

- and -

TORONTO HYDRO STREET LIGHTING INC.  
("Street Lighting Co." or "the Employer")

Recitals

Toronto Hydro-Electric System Limited ("the LDC") is bound to a Collective Agreement with CUPE Local 1 dated February 1, 2001 to January 31, 2003 for Inside Employees ("the Inside Collective Agreement").

The LDC has decided to sell its street lighting business to the Street Lighting Co. ("the Transaction") which will involve the transfer of the bargaining unit employees listed on the attached Schedule A ("the Street Lighting Business Employees").

Street Lighting Inc. and CUPE Local 1 have engaged in discussions concerning the implementation of this transaction.

NOW THEREFORE both Street Lighting Co. and Local 1 agree as follows:

Street Lighting Co. and CUPE Local 1 agree that effective the closing of the Transaction, Street Lighting Co. will, pursuant to the sale of a business provisions of section 69 of the *Labour Relations Act*, be bound to the Inside Collective Agreement. All the terms and conditions of the Inside Collective Agreement shall apply to bargaining unit employees of the Street Lighting Co. except that this Agreement supersedes the provisions of the Inside Collective Agreement and with the necessary changes such as references to the Employer shall mean Street Lighting Co.

Effective the closing of the Transaction, the Street Lighting Business Employees as identified in the attached Schedule "A" shall become employees of Street Lighting Co.

Street Lighting Business Employees listed in Schedule "A" shall continue to retain and accrue seniority and service in the LDC while working for Street Lighting Co. External hires will commence seniority from the date of hire by Street Lighting Co.

Street Lighting Business Employees listed in Schedule "A" will be permitted to apply for posted vacancies in the LDC.

Instead of any lay-off of Street Lighting Business Employees listed in Schedule “A” by the Street Lighting Co., the Street Lighting Co. will transfer the affected Street Lighting Business Employees back to the LDC, where the appropriate lay-off provisions of the Inside Collective Agreement will apply to the employees so transferred.

In the event the Street Lighting Co. is sold, instead of remaining with the Street Lighting Co., Street Lighting Business Employees listed on Schedule “A” will have the option of being transferred to the LDC, where the appropriate lay-off provisions of the Inside Collective Agreement will apply to the employees so transferred. The option to transfer back to the LDC will be exercised, in writing, by the Street Lighting Business Employees listed in Schedule “A” within thirty (30) days of the closing of the sale of the Street Lighting Co. The “Sale” for the purposes of this section means that the Toronto Hydro Corporation no longer holds, either directly or indirectly, a controlling interest in the Street Lighting Co.

#### Work Site

- (a) When the Employer determines that an employee is required to drive to a job site outside the City of Toronto, she/he shall be reimbursed for mileage at the rate as per Article 33.32 of the Inside Collective Agreement.
- (b) The above mileage shall be computed to and from the job site outside the City limits and the employee’s Street Lighting Co. work centre.
- (c) When the Employer determines that overnight accommodation is required the Employer will provide accommodation based on double occupancy. A daily meal allowance of \$40.00 will be provided. After two (2) consecutive days, an additional stipend of \$20.00 will be paid. If an employee is required to stay for the remainder of the work week, an additional \$20.00 will be paid.

This Agreement is effective from the date of signing until **January 31, 2018**.

This Agreement is the “Street Lighting Appendix” to the Inside Collective Agreement.

The Union agrees that the Companies or any combination of the Companies do not constitute one employer pursuant to section 1(4) of the *Labour Relations Act* (a “Section 1(4) Employer”) and that the execution of this Agreement does not cause the Companies or any combination thereof to become a Section 1(4) Employer and no party shall use this Agreement or any matter relating to its implementation or application to support a claim that the Companies or any combination thereof is a Section 1(4) Employer. For purposes of this

paragraph, the “Companies” means Toronto Hydro-Electric System Limited, Toronto Hydro Energy Services Inc., Street Lighting Co. and Toronto Hydro Corporation.

This Agreement is executed and dated **February 13, 2014**.

Signed on behalf of Toronto Hydro Street  
Lighting Inc.:

Signed on behalf of Local  
No.  
Canadian Union of Public  
Employees:

---

Anthony Haines

---

Bruno Silano

---

Toronto Hydro

---

CUPE Local No. 1

**INSIDE SCHEUDLE "A"**

**STREETLIGHTING**

<b><u>Pos #</u></b>	<b><u>Position Name</u></b>	<b><u>Employee</u></b>	<b><u>Employee #</u></b>
10407	Design Tech Level 2	Eric Anderson	2633
	Design Tech Level 2	Patrick Callahan	2698
	Design Tech Level 2	Robert Payne	2992
10408	Design Tech Level 2	Ingo Daniel	2991
10424	Senior Office Clerk L1	Therese Lefort	2693



## COLLECTIVE AGREEMENT



BETWEEN

**TORONTO HYDRO**

AND

**LOCAL NO. 1  
CANADIAN UNION OF  
PUBLIC EMPLOYEES**

(Representing Outside Employees)

FEBRUARY 1, 2014

TO

JANUARY 31, 2018

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OUTSIDE EMPLOYEES' AGREEMENT

Between

TORONTO HYDRO

(hereinafter called the "Employer")

and

CANADIAN UNION OF PUBLIC EMPLOYEES  
LOCAL NO. 1

(hereinafter called the "Union")

## **ARTICLE 1**

### **PURPOSE**

- 1.01 The purpose of this Agreement is to maintain a harmonious relationship between the Employer and the Outside employees and to provide amicable methods of settling differences. This relationship will ensure effective and efficient operations to meet the needs of our customers and our community.
- 1.02 It is the intent and purpose of the parties to set forth here the agreement between the Employer and the Union concerning rates of pay, hours of work and all other conditions of employment.
- 1.03 The Employer is responsible for the safety, comfort and general welfare of the community in respect to the service of electrical energy and the employees are prepared to assist at all hours of the day or night in the provision of such service except when employee is on sick leave, vacation, WSIB, or any other approved leave.

## **ARTICLE 2**

### **UNION RECOGNITION**

- 2.01
- (a) The Employer recognizes the Union as the exclusive bargaining agent for its employees in the classifications listed in Schedule O of this Agreement.
- (b) For greater certainty, but without expanding Schedule O, the Union's bargaining unit excludes: Supervisors; Leaders; persons above the rank of Supervisors, and Leaders; Human Resource staff; Legal Services staff; Public Relations Staff; Payroll staff; Engineers; Administrators; Information Technology staff; Administrative Assistants; Analysts; Sales staff; Marketing staff; Retail staff; Coordinators; Consultants.

## **ARTICLE 3**

### **NO DISCRIMINATION**

- 3.01
- (a) The Employer, with respect to employment or any term or condition of employment, discipline or discharge, agrees that it will not discriminate against a person as provided under the Human Rights Code (Ontario), or by reason of membership or activity in the Union.

- (b) All rights and benefits conferred under this Collective Agreement to employees on the basis of a spousal relationship, shall be equally conferred when the employee's partner is of the same sex.

#### ARTICLE 4 MANAGEMENT RIGHTS

4.01 The Union recognizes that the management of the Employer and the direction of the work force are fixed exclusively in the Employer and shall remain solely with the Employer except as specifically limited by the express provisions of this Agreement. Without restricting the generality of the foregoing, the Union acknowledges that it is the exclusive function of the Employer to:

- (a) maintain order, discipline and efficiency;
- (b) hire, discharge, direct, classify, transfer, set qualifications, promote, demote and suspend or otherwise discipline any employee provided that a claim that a non-probationary employee has been discharged or disciplined without reasonable cause;
- (c) generally to manage the operation and undertakings of the Employer and take such measures as the Employer may determine for the order and/or economical operation of the Employer's business and without restricting the generality of the foregoing to select, install and require the operation of any equipment, plant and machinery which the Employer in its discretion deems necessary for the efficient and economical carrying out of the operations and undertakings of the Employer.

The Union further recognizes the right of the Employer to make and alter from time to time rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement.

Management shall exercise its rights in a fair and reasonable manner that is consistent with the terms of this Agreement.



## ARTICLE 5 **STRIKES & LOCKOUTS**

- 5.01 The Union agrees it will not counsel or authorize any strike during the lifetime of this Agreement and the Employer agrees that there will be no lockout of Employees during the term of the agreement.
- 5.02 The terms “strike” and “lockout” as used above will be defined in accordance with the definitions set out in the Labour Relations Act of the Province of Ontario.
- 5.03 Outside employees are not required to cross picket lines except to perform duties relative to the Employer’s operation and the maintenance of service to equipment within the Employer’s jurisdiction and under no circumstances will an employee be required to force a crossing of a picket line.

## ARTICLE 6 **UNION SECURITY & CHECK-OFF**

- 6.01 Outside employees and students, as defined in 6.02, as a condition of employment, become members of the Union on hiring and retain membership for the duration of recognition by the Employer of the Union as sole bargaining agent for Outside employees.
- 6.02 Students may be employed either for the summer vacation period extending from April 15<sup>th</sup> to September 15<sup>th</sup> each year, or on work terms of a co-operative training program with a university or college. The only provisions of the Agreement applicable to students are:
- (1) Union Representation
  - (2) Grievance Procedure
  - (3) Recognized Public Holidays
  - (4) Bereavement

Students required to wear safety footwear, shall be allowed up to 50% of the safety footwear allowance in Article 18.03 per contract year to obtain and maintain safety footwear. Footwear shall be approved by immediate Supervisor.

- 6.03 The Employer hereby agrees that for all the employees of the Outside Bargaining Unit, they will deduct their Union dues or the equivalent thereof in accordance with the constitution of the Local Union and will remit such sums of monies to the Treasurer of the Local every pay day, along with a duplicate check-off list showing the names from whom the deductions are made.
- 6.04 The Employer will supply the Union with a list of current Outside Bargaining Unit employees' names and addresses and telephone numbers (unless an employee advises otherwise) on a computer disk using compatible software annually.
- 6.05 The Employer shall supply to each employee receipts on the income tax T4 slips in the amount of the Union dues paid by each Union member in the previous year.
- 6.06
- (a) All Outside Bargaining Unit employees shall be paid bi-weekly by direct deposit according to earnings. The rate of pay to which each employee covered by the terms of this Agreement shall be entitled is in accordance with her/his classification and the wage rate set out in Schedule O. On each pay day, each employee shall be provided with an itemized statement of wages and deductions including but not limited to vacation, sick and lieu time hours.
- (b) Employees shall upon giving at least fifteen (15) working days notice, receive on the last day preceding commencement of their annual vacation, pay which would normally be paid during the period of their vacation.

## **ARTICLE 7 STEWARDS**

- 7.01 In order to provide an orderly procedure for the settling of grievances, the Employer acknowledges the right of the Union to appoint or otherwise elect twenty-five (25) stewards whose duties shall be to assist employees in preparing and presenting grievances in accordance with the grievance procedure. The Union shall notify the Employer in writing of the name of each steward.

- 7.02 If proper discharge of grievance responsibility requires the absence from work of a union steward, in order that the work of the Employer shall not be unreasonably interrupted, no steward shall leave her/his work without obtaining the permission of her/his immediate supervisor. Such permission shall not be unreasonably withheld and such authorized absence shall be paid by the Employer.
- 7.03 When the Employer arranges a meeting with an employee and such meeting may result in disciplinary action, said employee may request representation by the Union Steward. The Employer will contact the Union Office who will arrange for a Union Steward. The Union Steward assigned shall be from the same location as the employee being interviewed and if no Union Steward is available, then from other locations. No employee shall be disciplined or discharged without just cause. A copy of any disciplinary letter will be sent to the Union, unless the employee disagrees with such notification.

## ARTICLE 8

### **GRIEVANCE PROCEDURE, MEDIATION & ARBITRATION**

- 8.01 It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible. If an employee has a complaint related to an alleged violation of the Collective Agreement s/he may at her/his option discuss it with her/his immediate supervisor within three (3) days after the circumstances giving rise to the complaint (grieved action) have occurred or have or ought to have reasonably come to the attention of the employee. The Supervisor shall give a response to the complaint within three (3) days. These discussions will not establish precedent. Failing settlement, or failing a response to the complaint, it may be taken up as a grievance in the following manner and sequence:
- 8.02 Procedure: Any employee or group of employees, for whom the Union is the bargaining agent, may refer grievances to the Union Steward. Grievances must be filed within fifteen (15) working days of grieved act or except where both parties agree to an extension of time. There is no grievance until an employee has reported her/his complaint to the Supervisor.

- 8.03 The grievance form shall contain a statement giving particulars of the grieved action, a statement as to the remedy sought and the provisions of the Agreement alleged to have been breached, provided that this does not preclude the grievor or Employer from relying upon other provisions of the Agreement.
- 8.04 Step 1. Grievance form is completed in duplicate and signed by the employee and Union Steward, presented to the Supervisor by the Union Steward and employee(s) (at their option). Both copies are to be returned by the Supervisor with her/his signed comments to the Union Steward within three (3) working days.
- 8.05 Once a grievance has been filed no Supervisor or Employer Official shall discuss said grievance with the grieved employee except in the presence of a Steward or Union Official.
- 8.06 Step 2. If satisfaction is not obtained in Step 1, the Union Steward, within five (5) working days, may refer the grievance to the Department Manager or designate, who will meet and discuss the grievance with the Union Steward, employee(s) (at their option) and the Human Resources Consultant then render a decision in writing on the prescribed forms within five (5) working days of receiving the grievance from the Union Steward.
- 8.07 Step 3. If satisfaction is not obtained in Step 2, the Union may within ten (10) working days, refer the grievance to the Vice President of Human Resources or designate who shall meet with the Vice President of the Union or designate, employee(s) (at their option) and a Human Resources Consultant to review the grievance and shall render a decision in writing within ten (10) working days.
- 8.08 The Union or Employer shall have the right to initiate at Step 3, grievances arising out of the interpretation, administration or alleged violation of any provision of this Agreement which is a policy matter that affects the Union or Employer in any way.
- 8.09 Should the Union or Employer fail to receive a decision within the time limit set out in the grievance procedure, the grievance shall automatically proceed to the next step.
- 8.10 The Union shall provide the Employer's Human Resources Department with a letter confirming resolution of the grievance within ten (10) working days.

8.11 The time limits fixed in Grievance Adjustment may be extended by consent of the parties of this Agreement.

8.12 Time absent from work for grievance representation is paid by the Employer.

#### Arbitration

8.13 If satisfaction is not obtained in Step 3, either party may within fifteen (15) working days refer the grievance to arbitration in accordance with the arbitration provisions of this Agreement. Notice in writing will be provided by the party making application for arbitration within the prescribed time limit.

8.14 Any difference of opinion, not otherwise resolved, relative to the interpretation, application or administration of this Agreement, may be referred to the Ontario Ministry of Labour with request for appointment of an Arbitrator, whose decision is final and binding on both parties for the remainder of the term of this Agreement. The Arbitrator dealing with a grievance concerning discipline or discharge may amend or modify any penalty.

#### Mediation

**8.15 Once the Union or Employer has referred a grievance to arbitration, both parties may within forty (40) working days agree to use the services of a mutually agreeable Mediator to assist the parties in resolving the grievance. The grievor(s) may attend the mediation meeting at the request of the Union. The Union shall reimburse the Employer the whole cost of the grievor(s) wages for time spent away from work. The parties will jointly, in equal shares, bear the expenses of the Mediator. Any mutually agreeable resolution reached by the parties through such mediation shall be binding upon the parties but shall be without precedent or prejudice.**

### ARTICLE 9 **SENIORITY**

9.01 Seniority for permanent promotion is changed by failure of employee to accept temporary promotion in her/his Progression Series for reason other than sickness or accident of the employee; employee who declines temporary promotion becomes junior to employees accepting temporary promotion. Later decision to accept temporary promotion does not alter employee's changed seniority placement.

- 9.02 An employee shall not lose her/his rightful Employment Seniority standing if s/he is absent from work because of sickness, accident, or leave of absence approved by the Employer. If an employee transfers in the Employer's service outside the bargaining unit, s/he shall retain her/his rightful Seniority standing in the position from which s/he was transferred and shall continue to accumulate seniority in the position to which s/he was transferred. An employee returning to the bargaining unit shall be subject to the agreement of the Union.
- 9.03 A classification seniority list and an Employment Seniority list shall be posted by the Employer on notice boards by May 1. Copies to be sent to the Union.
- 9.04 Seniority shall be defined as the length of service with the Employer.
- 9.05 Any employee disagreeing with her/his standing may refer it to the Grievance Procedure.
- 9.06 When an employee is granted a leave of absence without pay of over twenty (20) working days for other than Union business, time absent shall be deducted from her/his Employment and classification seniority standing, unless otherwise determined subsequent to consultation at the Labour/Management Committee. Notice will be provided to the Union prior to any leave granted.

## **ARTICLE 10 JOB POSTING & VACANCY**

### **10.01**

- (a) Job Vacancies are determined in the discretion of the Employer by the availability of work and, where no relative experience is required are advertised. When such a vacancy exists it will be posted within seven (7) working days. The Employer agrees to post notice of such vacancy for a period of ten (10) working days. The posting shall state the location, department and section where the vacancy exists. A copy of the posting will be sent to the Union. On request, the Human Resources Department explains to an applicant the reason s/he was not selected.
- (b) If the above position(s) cannot be filled by an Outside Bargaining Unit employee(s) the Inside Bargaining Unit employee(s) will be considered.
- (c) The name of the successful employee will be posted within thirty (30) days of the selection.

- (d) The requirement to post notice of such vacancy is waived when an employee is placed in a vacancy under the Job Security Article and/or Technological Change Article, Accommodation Article and the Long Term Disability Article. Employees placed under the Long Term Disability Article will not be placed in posted vacancies.
- (e) Posted vacancies shall be offered to the senior incumbent(s) who has applied for the position within their same classification, either:
  - (i) at a different location in the same Department; or
  - (ii) a different Department at the same locations; or
  - (iii) a different Department at a different location;  
before consideration of other applicants.

In all cases, transfers shall be subject to the incumbent(s) having a current Performance Appraisal rated “Good” or higher and shall not negatively impact operational efficiency, productivity and customer service.

#### Relative Experience

- 10.02 Relative Experience is experience adequate enough to enable the employee to perform the duties required.

#### Promotion

- 10.03 Promotion to the classification where no relative experience is required is by Employment Seniority.
- 10.04 Promotion to Certified Crew Leader is on the basis of seniority in the classifications as laid out in Schedule O, when qualifications are equal. Determination of qualifications is at the sole discretion of the Employer. If the Union is not satisfied with the promotion it may be placed on the agenda of the Labour/Management Committee for discussion. Grievance Procedure does not apply to this Article.
- 10.05 Promotion to all other classifications is by seniority in classification, relative experience, opportunity, result of work test and appraisal rating by Performance Appraisal of “Good” or higher. Employment seniority applies when classification seniority is equal.

### Classification Conditions

- 10.06 Employee accepted for promotion in scheduled progression transfers at the rate s/he is receiving in her/his present job or the minimum of the new classification whichever is the greater.
- 10.07 New employee hired to a classification in which s/he has had previous experience is allowed the rate commensurate with her/his competency as demonstrated in a trial period of thirty (30) days. The rate is not higher than is allowed by Employer progression for comparable competency and there is also considered that time is required to acquire familiarity with the Employer's plant and methods.
- 10.08 Employees of the Employer, unless covered by this Agreement, shall not perform any work done by employees covered under this Agreement except under extreme emergency.
- 10.09
- (a) Where a new job is established, or where existing job duties are changed such that an employee is incorrectly classified, the appropriate classification, wage rates, wage ranges and progressions shall be negotiated and the applicable conditions of this agreement shall apply. If no agreement is reached on the wage rate and/or progression the matter may be submitted to arbitration. If a wage increase results, the same shall be retroactive to the date that the job duties were changed, or the new job created.
- (b) The process to determine the transfer rate is as follows:
1. If the employee's current rate is below minimum rate of the new classification, s/he shall receive the minimum rate of the new classification; new anniversary date.
  2. If the employee's current rate is within or greater than the new classification, the transfer rate will be determined as follows:
    - (a) If the employee's new classification does not require similar knowledge, training, experience and qualifications as her/his current classification, as determined by the Job Description and job posting competencies, s/he shall receive the minimum rate of the new classification; new anniversary date.



- (b) If the employee's current classification has similar knowledge, training, experience and qualifications as the new classification, as determined by the Job Description and job posting competencies, the parties will mutually agree on the employee's transfer rate. The transfer rate is effective on date of transfer; new anniversary date.
- (c) Notwithstanding the above, no employee may receive the maximum rate of a position until s/he has been performing satisfactorily in the position for six (6) months.

Probation

10.10

- (a) Status of an employee is probationary in a new classification for a period of five (5) months' work in that new classification. Any time after thirty (30) days of entry, until the employee completes her/his probationary period, it may be determined by the employee's Performance Appraisal that the employee is unsatisfactory in the new classification and is to be reverted to immediate previous classification and rate without loss of seniority.
- (b) Such employee who successfully bids for a posted bargaining unit position, shall be given an opportunity to revert to her/his former position and conditions if s/he so requests within six (6) weeks, from date of assumption of new duties with the exception of shift workers who will have twelve (12) weeks.

10.11 Probationary period for a new employee is six (6) months' work.

10.12 Employee participation in the pension plan will commence on date of hire.

10.13 In the event the returning employee, referred to in Article 10.10 (b), causes displacement of other employees, such displacement would necessitate the return of such employees to their former positions.

10.14 New employees in their probationary period shall be permitted to transfer to one other job classification during the probationary period. Additional transfers may be permitted subject to consultation by the Labour/Management Committee.

10.15 Should there be no eligible applicants for a permanent transfer, Article 10.14 will not apply.

### Demotion

- 10.16 An employee demoted shall revert to her/his immediate previous classification and be ineligible for two (2) years for vacancies or relief in the position from which they were demoted and from any position with a maximum pay rate equal to or greater than the position from which they were demoted.

She/he retains the right to apply for any other vacancy.

An employee demoted or reverted to a former grade retains seniority in the lower grade.

In the event the demoted employee causes displacement of other employees, the Employer will not be required to provide notice to the displaced employees. The displaced employee(s) will maintain her/his present wages for a period of twelve (12) months.

- 10.17 When a licence is required to discharge a responsibility of a classification and when the licence of an employee in such classification is suspended for not more than twelve (12) months, the employee shall be demoted to whatever immediate previous classification does not require such qualification. When the employee regains the licence s/he shall be allowed to return to her/his former classification. Classification seniority, on return from demotion, shall not include the time absent from the classification.

### Job Descriptions

- 10.18 All Wage Classifications listed in Schedule O shall have job descriptions, summarizing the present duties and responsibilities pertaining to the jobs covered in this Agreement. The job descriptions shall be contained in a separate book forming part of this Agreement. New job descriptions or changes to existing descriptions shall be discussed through the Job Description Consultation Committee composed of three (3) members each of Union and Employer representatives. Any new job descriptions or changes to existing job descriptions which are in dispute may be made by the Employer in accordance with the Management Rights Article of this Agreement.
- 10.19 All job descriptions that are not agreed upon may be subject to the Grievance Procedure in accordance with the Collective Agreement.
- 10.20 The cost of the Committee shall be at the Employer's expense and any preparation time will be agreed upon by the Co-Chairs.

**ARTICLE 11**  
**LAYOFF & RECALL**

- 11.01 Layoff: Is unemployment due to work shortage. Service with the Employer is the basis upon which seniority is established in the event of layoff or recall – insofar as there is not interference with the Employer’s operation and employees are given ninety (90) days’ notice.
- 11.02 Recall: Entitlement is limited to twenty-four (24) months from date of layoff and is voided by:
- (a) Refusal of vacancy.
  - (b) Failure to report intention to return within fourteen (14) days of registered mailing of recall.
  - (c) Failure of availability for work within thirty (30) calendar days of registered mailing of recall.
- 11.03 Certificated illness can be accepted as reason for excuse from requirements in Articles (b) and (c) or other reasons which will be considered justifiable.
- 11.04 It shall be employee’s responsibility to keep the Employer notified of present address.
- 11.05 Employee recalled shall be entitled to all privileges and conditions which s/he enjoyed at the time of layoff or as amended under the Agreement.
- 11.06 No new employee(s) shall be hired until all laid off employees have been given the opportunity to return to work to fill vacancies for which they are qualified.

Severance Pay

- 11.07 Severance Pay will be paid to employees who have had more than three (3) years of employment and are laid off due to shortage of work. For each week of continuous layoff, up to a maximum number of weeks equal to the number of years of service, the employee will receive one week’s straight-time pay.

ARTICLE 12  
**TEMPORARY TRANSFER**

Relief

12.01 When relief is required, it will be offered to the senior qualified employee available in the Department, at the Location.

Relief rates shall be paid as per Article 12.03 and 12.04.

12.02 Days accumulated in relief do not supersede classification seniority for promotion. Special leaves in excess of sixty (60) working days are not covered by the above except the parties of this Agreement jointly arrange for its application. When the Employer determines that relief is required, it shall be arranged as follows:

12.03

(a) Supervisor - by the senior qualified employee in the progression series relative to the position. A six percent (6%) increase is paid for time worked.

(b) Street Lighting Supervisor - by the senior qualified Street Lighting employee relative to the position. A six percent (6%) increase is paid for time worked.

12.04 Certified Crew Leader - by the senior qualified Outside employee in their progression series. Relief rate is paid for time worked.

12.05 Charge Hand - by the senior Outside employee in the progression series.

12.06 Shift Employee - by non-shift employee is a shift employee from time of call-out and accepts shift hours and working conditions and remains on shift until s/he completes a forty (40) hour week, completes the shift week or is released by the return of the Shift Employee; whichever comes first. Relief required on other than prearranged absence is supplied for day shift by non-shift employee and for evening or night shift by shift employee.

12.07 For the purpose of this Article short term relief shall be defined as ten (10) days or less absence.

- (a) Relief for short term or unscheduled absences by Certified Crew Leader, Line shall be by the senior Certified Power Line Person in the Department at the Location. To be eligible for relief the Certified Power Line Person shall have completed two thousand and eighty-eight (2088) hours in relief as System Response Representative and shall have completed Certified Crew Leader Training.

Long term relief shall be offered to the senior System Response Representatives in progression sequence at the Location. If the senior System Response Representatives in the progression sequence at the Location declines, relief will be filled as if it were short term.

The System Response Representative/Relief System Response Representative relieving as Certified Crew Leader, Line, if no longer required as a Certified Crew Leader, Line before the end of her/his shift, shall return to their regular duties for the remainder of the shift and be paid at their regular rate for the hours remaining until the end of her/his shift.

- (b) Relief for short term or unscheduled absence by Certified Crew Leader, Stations shall be by the senior Certified Substation Electrician. To be eligible for relief the Certified Substation Electrician shall have completed two thousand and eighty-eight (2088) hours in relief as Station Response Representative and shall have completed Certified Crew Leader Training.

Long term relief shall be offered to the senior Station Response Representatives, in progression sequence. If the senior Station Response Representatives in the progression sequence declines, relief will be filled as if it were short term.

The Station Response Representative relieving as a Certified Crew Leader, Stations, if no longer required as a Certified Crew Leader, Stations, before the end of her/his shift shall return to their regular duties for the remainder of the shift and be paid at their regular rate for the hours remaining until the end of her/his shift.

- 12.08 When a shift employee is required to relieve the following week in a higher classification, s/he shall complete her/his forty (40) hours in the current week according to that week's schedule, and, if s/he had been scheduled on shift on the Sunday of that following week s/he shall work that shift to have her/his scheduled off-day on Friday.
- 12.09 The Employer shall not assign relief to a shift employee during her/his scheduled days off except in an emergency.

- 12.10 Two Relief Systems Response Representatives are not permitted to work together unless one has accumulated two thousand and eighty-eight (2088) hours in relief.
- 12.11 Once it is arranged to relieve a shift employee who has reported necessity for absence due to illness or other cause, the arranged relief employee takes the shift and the relieved employee remains absent.
- 12.12 A regular shift employee who has been notified in advance of requirement to relieve in a higher classification shall not be called upon to work a Public Holiday in her/his regular work week on shift, except in cases of emergency.

This Article does not apply to employees working twelve (12) hour shifts, seven (7) day rotating schedule.

- 12.13 A shift employee who works three days or more in her/his own classification in her/his regular work week shall be entitled to a lieu day for an off-day coincident with a Public Holiday. A non-shift employee relieving a shift employee three days or more in her/his regular work week shall receive a lieu day for an off-day coincident with a Public Holiday.

This Article does not apply to shift employees working twelve (12) hour shifts, seven (7) day rotating schedule.

- 12.14 Any shift employee working on a shift schedule shall not be available for relief in a higher classification on her/his regular off-days except in an emergency.
- 12.15 Relief employee, who has completed two thousand and eighty-eight (2088) hours in relief and is employed in relief on her/his scheduled working day before occurrence of Vacation, Sickness or Public Holiday, is allowed relief rate for such time paid but not worked.
- 12.16 Employee is required to notify her/his Department as its rules may require in advance of expected return from any absence.
- 12.17 Employee relieving or performing work in a classification other than her/his own shall be paid the next highest rate above their current rate in the relieved classification or the minimum rate of the higher classification, whichever is greater, for the time worked.

Time spent by relief employees required to attend meetings, training, or other employer-related business including inclement weather shall be considered time worked. When such meetings, training or other employer-related business is scheduled on a full day basis, employees must relieve the day before and the day after to qualify for the relief rate.

If it is anticipated that a relief assignment will not exceed four (4) consecutive hours then the selection of the employee from the progression series to provide such relief can be made at the discretion of the Employer.

#### Temporary Transfer Outside the Bargaining Unit

- 12.18 An employee transferred to a position outside of the bargaining unit shall receive a six percent (6%) increase for the time worked in the position.

#### 12.19 Work Assignment

Human Resources will notify the Union, in writing, of all Work Assignments prior to commencement. Where an extension of the Work Assignment is required, Human Resources will provide advance notice of the extension to the Union. Human Resources will provide communication on the application of the Work Assignment process to management staff. First consideration will be given to the senior qualified employee(s).

- 12.20 The Employer agrees to consult with Union at the Labour/Management Committee prior to assigning an employee, with the employee's consent, to work on a special assignment as directed by the Employer for periods not to exceed three (3) months each period. Such employees shall continue to receive their present rate of pay or the minimum of the new classification, whichever is greater, plus any additional or general increase, retention of their seniority and accumulation of seniority.
- 12.21 The Employer agrees to consult with the Union at the Labour/Management Committee prior to transferring an employee, with the employee's consent, to another classification for periods not to exceed three (3) months each period, for the purpose of utilizing her/his applicable abilities. The transferred employee will continue to receive her/his present rate of pay or the minimum of the new classification, whichever is greater, plus any additional or general increase, and retention of their seniority rights and accumulation of seniority.

**ARTICLE 13**  
**LEAVE OF ABSENCE FOR UNION BUSINESS**

- 13.01 Leave of absence shall be granted to Union officials for Union business when requested, providing such leave does not interfere with Employer operation. The decision as to whether the Employer's operation is disrupted is at the Employer's sole discretion. The Union is required to provide the Employer with three (3) working days' notice on request for leave of absences under this Article. Under unusual circumstances, a shorter notice period will be considered. Approval for such request will not be unreasonably withheld.
- 13.02 Leave of absence will be granted for two (2) full-time officers of the Union on the understanding that upon returning to work s/he will be reinstated and offered required training in her/his previous position or such other position s/he would have occupied had s/he not been on leave of absence, provided that s/he is qualified. In the event that the return of the Union officer causes displacement of other employees, the Employer will not be required to provide notice, maintenance of wages, or other payments to the displaced employees.
- 13.03 Time absent from work by Union representatives in attendance at all meetings with the Employer or its representatives shall be paid for by the Employer.
- 13.04 Union official, when off on Union business, the whole cost of wages and benefits shall be maintained by the Employer. The Union shall reimburse the Employer the whole cost of wages and benefits by the 15th of the month following the month in which detailed billing is received.
- 13.05 Employees granted leave of absence without pay except under provisions 13.01, 13.02 and 13.06 and absence covered by WSIB shall reimburse the Employer the full cost of medical, hospital and insurance coverage for the period of absence. During such leave the employee shall not be entitled to the following benefits contained under this Collective Agreement:



Bereavement Leave, Jury and Witness Duty and Sick Pay Credit.

Sick Leave may be substituted for leave of absence where the employee has established to the satisfaction of the Employer a serious illness or serious injury due to an accident occurred while on leave of absence.

13.06 The Employer may following consultation with the Labour/Management Committee, grant an employee an absence with leave without pay for full time Union or public duties. Requests for such leave must be in writing. During the absence the employee will not accumulate seniority nor be entitled to the benefits of the Agreement. Medical, hospital, pension and insurance coverage may be continued during the absence where it is agreed that the employee will reimburse both the employee's and Employer's full cost of such coverage to the Employer. Upon returning to work s/he will be reinstated in her/his previous position, provided that s/he is qualified. In the event that the return of such person causes displacement of other employees, the Employer will not be required to provide notice, maintenance of wages, or other payments to the displaced employees.

13.07 The employees constituting the Union Bargaining Committee shall be given time off during working hours without loss of pay or seniority while actually attending such negotiation meetings with the Employer, and without payment of overtime.

The Employer will provide a maximum of three (3) days each, for up to six (6) Union Bargaining Committee members, to be used for contract negotiations preparation time. Arrangement for time off will be made through the Human Resources Department.

13.08 An employee shall be granted up to three (3) working days per contract year to care for ill dependents. The employee shall notify her/his Department as close as possible to the start of the work day of the need to be absent. Such leave will be charged against the employees accumulated sick pay credit and must be taken on a full day basis.

For employees working other than an eight (8) hour day the number of hours scheduled for the day on which the absence occurs shall be considered one (1) day for the purpose of this Article.

### Union Health and Safety Representative

- 13.09 Leave of absence will be granted for one (1) Union Health and Safety Representative (as selected by the Union within either bargaining unit to represent all members of the Union) on the understanding that upon returning to work s/he will be reinstated and offered required training in her/his previous position or such other position s/he would have occupied had s/he not been on leave of absence, provided that s/he is qualified. In the event that the return of the Union officer causes displacement of other employees, the Employer will not be required to provide notice, maintenance of wages, or other payments to the displaced employee.
- 13.10 The whole cost of wages and benefits of the Union Health and Safety Representative shall be maintained by the Employer. The cost of wages shall be at the Journeyperson rate, or the employee's normal wages whichever is greater. At the end of the leave, the person may return to her/his previous position. Where a scheduled increase or progression occurs during the absence, the employee will receive such increase or progression and any other general rate increase.

The Union shall reimburse the Employer the whole cost of wages and benefits by the 15<sup>th</sup> of the month following the month in which detailed billing is received for all time spent by the Health and Safety Representative on business other than Toronto Hydro/Local One Health and Safety business.

- 13.11 Leave of Absence for the Union Health and Safety Representative shall be considered time worked for the purpose of calculating seniority.

### Self-Funded Leave Plan

- 13.12 The Employer agrees to establish an employee-financed absence with leave plan to permit employees to be absent for a period of either six (6) months or one (1) year. Application for this leave must be in writing to Human Resources and be at least two (2) years in advance for the six (6) month leave and four (4) years in advance for the one (1) year leave. Approval of leave is at the Employer's discretion.

The terms and conditions of the plan are subject to consultation with the Labour/Management Committee.

### New Member Interview

- 13.13 The Employer agrees that within four (4) weeks of date of hire the Union will be provided with the opportunity to meet with new employees, for a period not to exceed thirty (30) minutes, for the purpose of acquainting the new employee with the benefits and duties of Union membership. New employee group will not exceed six (6) members. The cost of Union representation will be at the Union's expense.

## **ARTICLE 14 ABSENCE WITHOUT LEAVE**

- 14.01 Absence without leave is failure of employee to report on absence from work in accordance with rules of her/his Department and employee absent without leave has left the employ of the Employer with reinstatement dependent upon provision in writing to the Employer of satisfactory reasons for absence.

## **ARTICLE 15 BULLETIN BOARDS**

- 15.01 Bulletin Boards provided by the Union, will be erected in such locations as are mutually acceptable to the Employer and the Union.

## **ARTICLE 16 JURY & WITNESS DUTY**

- 16.01 Where an employee is summoned or serving as a juror or subpoenaed as a witness in any criminal or civil action there shall be no loss of pay or seniority incurred. The Employer will make up the difference between any fee paid to the employee as a witness or juror and her/his normal rate of wages for the period during which s/he served as a juror or witness.
- 16.02 When an employee is required to serve as a subpoenaed witness outside of her/his regular working hours, and requirement to serve resulted directly from her/his employment with the Employer, s/he shall be paid the difference between her/his witness fee and her/his appropriate overtime rate plus travel time.
- 16.03 Provisions 16.01 and 16.02 do not apply to employees subpoenaed by the Union.

ARTICLE 17  
**BEREAVEMENT LEAVE**

- 17.01 An employee shall be granted bereavement leave, without loss of straight-time pay, of:
- (a) Up to five (5) consecutive working days to assist with arrangements and/or to attend the funeral, in case of death of the employee's parent, step-parent partner/spouse or child and step-child.
  - (b) Up to three (3) consecutive working days to assist with arrangements and/or to attend the funeral in case of death of employee's brother, sister, grandparent, parent-in-law, grandchild, or relative residing in the employee's home.
  - (c) The day of the funeral for attendance at the funeral in the case of the death of the employee's brother-in-law, sister-in-law, son-in-law or daughter-in-law, or upon Employer's approval for a relative other than those listed above.
  - (d) Consideration may be given for an extension of time under abnormal circumstances or if extensive travel is necessary. It is understood that weekends or scheduled 'off' days are not included in entitlement of consecutive working days.
- 17.02 The President of the Union or a delegate is permitted without loss of pay to attend funeral of Union members and retired Union members; it is required that arrangements be made beforehand with the Department Head.
- 17.03 Up to six (6) employees are permitted without loss of pay to serve as pallbearers at a funeral of fellow employee or retired employee.
- 17.04 When an employee is on vacation, or sick and death of relative listed in Article 17.01 occurs, that portion of the employee's time resulting from the bereavement and in accordance with the provisions of Article 17.01, shall be changed from vacation or sick to bereavement leave. Employee is required to notify her/his Department immediately on receipt of notification of a death.
- 17.05
- (a) For employees working other than an eight (8) hour day, the number of hours scheduled for the day on which the absence occurs shall be considered one (1) day for the purpose of this Article.

- (b) For shift employees, consecutive working days referred to in Article 17.01 cannot be broken by more than three (3) days.

## ARTICLE 18 SAFETY FOOTWEAR ALLOWANCE

- 18.01 The Employer will supply the safety equipment it considers necessary to protect employees and the public, at no cost to the employees, except safety footwear which shall be provided as follows.
- 18.02 Outside employees shall wear safety footwear that has been approved by their Supervisor/Certified Crew Leader. The safety footwear shall be that manufactured for the purpose and be of good quality and proper style.
- 18.03 **Outside employees who are designated by the Employer, as required to wear safety footwear, shall be allowed** up to \$170.00 per contract year with the exception of Certified Power Line Persons, System Response Representatives and Certified Crew Leader, Line, who shall be allowed up to \$190.00 per contract year for the purchase, replacement or repair of safety footwear. An employee is allowed to carry over any unused portion of the allowance into the following contract year. Carry over shall not exceed that contract year's entitlement.
- 18.04 The Employer shall pay the full cost for the purchase, replacement or repair of safety footwear that an employee must have made-to-measure.

## ARTICLE 19 PUBLIC HOLIDAYS

- 19.01
- (a) Public Holidays shall be New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, July 1st, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day, Heritage Day if proclaimed.
- (b) Each regular employee shall be entitled to three (3) additional days holiday with pay during the calendar year and such day(s) shall be mutually agreed to by the Supervisor and employee. However, a request to take such a holiday on Remembrance Day will be granted. These days may be taken in half days.

For employees working other than an eight (8) hour day, the number of hours scheduled for the day on which the absence occurs shall be considered one (1) day for the purpose of this clause.

For those employees working a compressed work week the number of hours deducted when using an additional day shall be the number of hours scheduled to be worked.

One of the above additional days will be designated by the Employer by December 1st of the previous year. This designated day will be immediately before or after a Public Holiday unless otherwise determined subsequent to consultation at the Labour/Management Committee. Should this day not be designated by the Employer the day may be taken subject to the convenience of the Department and applies only to employees who have completed three (3) months of continuous service.

The benefit of the second and third additional days must be taken within the calendar year it is granted, applies only to employees who have completed three (3) months' continuous employment service, and is taken at the request of the employee and subject to the convenience of the department.

19.02 When Christmas, New Year's Day or July 1st falls on a Saturday or Sunday, the following Monday shall be observed as the Public Holiday. When Christmas falls on a Saturday or Sunday, the following Tuesday shall be observed as the Boxing Day Public Holiday. When Christmas falls on a Friday, the following Monday shall be observed as the Boxing Day Public Holiday.

19.03 When a Public Holiday occurs during a vacation period, that day shall be charged to "Public Holiday" and not to employee's vacation time.

19.04

(a) A shift employee scheduled to work on any observed Public Holiday shall be allowed one day in lieu for the Public Holiday except when permitted to take the day off as a Public Holiday. When a shift employee's scheduled day off falls on an observed Public Holiday the employee shall receive one day in lieu. A shift employee shall be allowed to accumulate lieu days for a period of twelve (12) months from date earned.

(b) Afternoon shift employees in the Fleet and Equipment Operation Department scheduled to work a ten (10) hour shift who observe the Public Holiday shall be paid for the ten (10) hour day.

19.05 Employee required by schedule to work on a Public Holiday but unable to do so because of illness shall be paid at straight time rate from her/his sick pay credit for the Public Holiday and shall be allowed the lieu day as in Article 19.04.

- 19.06 Employee is not allowed pay for Public Holiday when absent without pay on either the work day before or the work day after the Public Holiday except in cases of employee granted leave for Union business.

## **ARTICLE 20 VACATION**

For Clauses 20.01 to 20.05 inclusive, a day shall be eight (8) hours.

- 20.01 Vacation is allowed in calendar year of engagement at one (1) day for each complete calendar month to total of ten (10) days.
- 20.02 In and from calendar year following engagement fifteen (15) working days of vacation is allowed.
- 20.03 In and from calendar year in which is completed six (6) years of employment service, twenty (20) working days of vacation is allowed.
- 20.04 In and from calendar year in which is completed fifteen (15) years of employment service, twenty-five (25) working days of vacation is allowed.
- 20.05 In and from calendar year in which is completed twenty-five (25) years of employment service thirty (30) working days of vacation is allowed.
- 20.06 Vacation is arranged at the convenience of the Department. One third of the employees in a Section within a Department who may be required in a System emergency may be absent on vacation at the same time during the period from the weekend immediately prior to July 1st to the weekend immediately after August 31st. Employees are permitted two (2) weeks of vacation during July and August.
- 20.07 An employee shall be allowed to carry over any portion of one (1) year's vacation.
- 20.08 Vacation arranged as carry-over is paid at rate and under conditions applicable when vacation is taken.
- 20.09 Shift employees are permitted absence of nine (9) consecutive days on arrangement of one (1) week's vacation and sixteen (16) consecutive days on two (2) weeks' vacation.

- 20.10 Sick leave may be substituted for vacation where the employee has established, to the satisfaction of the Employer, that a serious illness or serious injury due to accident occurred while on vacation.
- 20.11 When employment is terminated, other than in the year of normal retirement and vacation taken has exceeded the vacation credit, the overpayment will be recovered by the Employer.
- 20.12 In the year of retirement, the full year's vacation is allowed.
- 20.13 The Employer will reply to a vacation request within ten (10) working days of receipt of such request, provided that the request is made within, but not prior to, three (3) months of the requested vacation.
- 20.14 For employees working other than an eight (8) hour day, vacation shall be granted on the basis of the hours scheduled for the day on which the vacation occurs.

## ARTICLE 21

### **DRIVER'S LICENCE, TRADE & PROFESSIONAL FEES**

#### Driver's Licence

- 21.01 The cost of Driver's Licence for employees who are required to operate System vehicles, and employees who are authorized to operate their own automobile, shall be paid by the Employer.

The cost of medical exams for those employees required to have an AZ licence will be paid for by the Employer.

#### Trade & Professional Fees

- 21.02 The Employer shall pay up the full cost of the annual renewal of Auto Mechanic Licence fees, annual membership fee for Technicians to maintain OACETT membership, and any fees related to a trade certification recognized by the Apprenticeship Act of Ontario or any annual membership for Professional or Trade Certification under the Apprenticeship Act of Ontario so long as such membership is required as a condition of employment by the Employer.



**ARTICLE 22**  
**WORK CLOTHING**

- 22.01 Overalls, coveralls, quilted bib overalls, parkas, gloves and pants and shirts when appropriate, are supplied to employees whose work requires such and return of worn-out article may be necessary, as determined by the Employer, to obtain a replacement. The Employer will make a reasonable effort to make work clothing available.

**ARTICLE 23**  
**TOOL REPLACEMENT**

- 23.01 Except as otherwise specified in Article 23.02 and 23.03, the Employer will provide all hand tools as required by each job classification to effectively perform the job. It is understood, and agreed, that all tools supplied by the Employer, shall belong to, and shall remain, the property of the Employer. The Employer will replace all broken, lost, stolen, or worn out tools. An employee must return a worn out or broken article in order to receive a replacement. In the event of a lost or stolen article, the employee must give a satisfactory explanation as to the details. Upon an explanation said tool(s) will be issued.
- 23.02 Outside employees, who are required to supply their own personal tools, are reimbursed up to a sum of \$125.00 per contract year, with the exception of Fleet Mechanic, who will be paid \$500.00 at the start of each contract year, for new, broken, lost or worn out tools, at the discretion of the Supervisor. It is understood, and agreed, that all tools supplied by the Employer, shall belong to, and shall remain the property of the Employer.
- 23.03 Tools provided to employees in the classifications of Fleet Mechanic, Certified Substation Electrician and Machinist would initially be purchased by the Employer and provided to new employees entering these trades.

The tool allowance detailed in Article 23.02 will be applied against the purchase price of such tools until the total tool purchase price has been recovered. Following this recovery of the total tool purchase price the tools would be the property of the employee.

When employment is terminated or when an employee transfers to a classification which does not require the employee to have personal tools, with the exception of Certified Substation Electrician transferring to Station Response Representative, before the full purchase price has been recovered by utilization of the tool replacement amounts, it is understood and agreed that the Employer will recover from the employee an amount equal to the remaining balance. Should this occur within three (3) years of being issued the tools, then the employee would have the option of returning all the tools, without refund, rather than being required to pay the outstanding balance.

In the event the Employer-issued tools which are not new, to a new employee in these above listed classifications, the employee will be credited with any amounts previously credited against these tools under this clause.

## ARTICLE 24 **HEALTH, WELFARE & INSURANCE BENEFITS**

### Pregnancy, Adoption Parental and Family Medical Leave

#### Provision of Leave

- 24.01 Pregnancy, Parental and Family Medical Leaves will be granted to employees under the terms of the Employment Standards Act of Ontario.

Pregnancy Leaves shall be granted for up to seventeen (17) weeks in duration and may begin no earlier than seventeen (17) weeks before the expected birth date.

Parental Leaves shall be granted for up to thirty-five (35) weeks in duration for an employee taking pregnancy leave and shall, in all cases, be taken when her pregnancy leave ends unless the child has not yet come into her custody, care and control for the first time.

Parental Leave, which includes adoption leave, shall be granted for up to thirty-seven (37) weeks in duration for employees not taking pregnancy leave and shall, in all cases, begin no later than fifty-two (52) weeks after the day the child is born or comes into the parent's custody, care and control for the first time.

### Protection of Benefits, Seniority, Pensions

- 24.02 During a Pregnancy or Adoption Leave the Employer shall pay the full cost of the employee's medical, hospital and insurance coverage and the Employer's portion of the employee's pension plan coverage if the employee elects at the commencement of the leave to pay the employee portion of such costs.

During a Parental or Family Medical Leave the Employer shall continue to pay the full cost of the employee's medical and hospital coverage and the Employer's portion of the employee's pension plan coverage and insurance coverage if the employee elects at the commencement of the leave to pay the employee portion of such costs.

Seniority, for all purposes, shall accrue during the period of Pregnancy, Adoption, Parental or Family Medical Leave.

### Wage Top-Up for Pregnancy Leave

- 24.03 In the case of a Pregnancy Leave, the Employer will provide payment equal to 95% of base pay during the two (2) week E.I. waiting period and the difference between the payments received from E.I. and 95% of the employee's normal, straight-time pay for fifty (50) weeks, subject to continued government legislation and approval.

### Maintenance of Wages for Adoption Leave

- 24.04 In the case of an Adoption Leave for the primary caregiver, who has adopted a child under six (6) years of age, who is not the natural child of either adoptive parent, the Employer will provide payment equal to 95% of base pay for two (2) weeks and 95% of her/his normal, straight-time pay for up to thirty-five (35) weeks.

### Maintenance of Wages for Parental Leave

- 24.05 In the case of a Parental Leave, the Employer will provide payment equal to 95% of base pay during the two (2) week E.I. waiting period and the difference between the payments received from E.I. and 95% of the employee's normal, straight-time pay for thirty-five (35) weeks, subject to continued government legislation and approval.

### Maintenance of Wages for Family Medical Leave

- 24.06 In the case of a Family Medical Leave to provide compassionate care and support to the family member specified in the medical certificate, the Employer will provide payment equal to 95% of base pay during the two (2) week E.I. waiting period and the difference between the payments received from E.I. and 95% of the employee's normal, straight-time pay for six (6) weeks, subject to continued government legislation and approval.

### Spousal Leave at Time of Birth or Adoption

24.07

- (a) An employee whose spouse or partner gives birth, or commences an Adoption Leave, shall be granted leave with pay and full benefits, of two (2) working days. The leave shall be taken on days chosen by the employee, at or about the time of birth or adoption.
- (b) For employees working other than an eight (8) hour day the number of hours scheduled for the day on which the spousal leave occurs shall be considered one (1) day for the purpose of this clause.

### Reinstatement

- 24.08 The Employer shall reinstate an employee returning to work from a Pregnancy, Adoption, Parental or Family Medical Leave in the position most recently held with the Employer, or provide the employee with alternative work of a comparable nature at not less than the employee's wages at the time the leave began, or as adjusted by any general increase, and without loss of benefits accrued to the commencement of the Leave of Absence and with full seniority.

Where a scheduled increase or progression occurs during the absence, the employee will receive such increase or progression upon satisfactory demonstration of competency during a trial period of thirty (30) days.

### Medical & Hospital Services & Dental Plan

24.09

- (a) Equal or superior coverage to present practice, i.e., Ontario Health Insurance Commission, Plan for Supplementary Hospital Care and Extended Health Care Plan shall be continued. Where an employee is entitled by the provisions of the Health Insurance Act to receive Ontario Health Insurance Plan protection without cost, such coverage will not be provided by the Employer.

- (b) Effective February 1, 2009, and for each consecutive two (2) year period following thereafter, the Extended Health Care Plan coverage for eyeglasses and/or contact lenses shall be \$400.00 per person covered, for the two (2) year period commencing February 1, 2009, and the \$1.00 prescription plan will continue.

Effective February 1, 2012, and for each consecutive two (2) year period following thereafter, the Extended Health Care Plan coverage for eyeglasses and/or contact lenses shall increase to \$450.00 per person covered, for the two (2) year period commencing February 1, 2012, the \$1.00 prescription plan will continue.

- (c) Effective February 1, 2006 coverage for the cost of an eye exam for a two (2) year period or one (1) year period for dependent children under the age of twenty-one (21), if prescribed by a medical practitioner, up to a maximum of \$80.00 per person.
- (d) Effective February 1, 2009, and for each consecutive two (2) year period following thereafter, coverage for the cost of Retinal Imaging up to a maximum of \$50.00 per person.
- (e) Services of a licensed Physiotherapist up to a maximum of \$150.00 for the initial visit and \$70.00 per subsequent visit to an unlimited maximum for services provided inside Canada and \$60.00 per hour for services outside Canada.
- (f) Effective February 1, 2009, services of a licensed Chiropractor (including X-rays) up to a maximum of \$400.00 per person per contract year.

Effective February 1, 2012, services of a licensed Chiropractor (including X-rays) up to a maximum of \$450.00 per person per contract year.

- (g) Services of a licensed Osteopath, Chiropodist or Podiatrist, Registered Massage Therapist, up to a maximum of \$50.00 per visit per person, Psychologist, Naturopath, Speech Therapist and Dietician up to an overall maximum of \$850.00 per person per contract year, payable only after OHIP ceases to pay any portion of the expenses.
- (h) Effective **February 1, 2014** coverage for cost of hearing aids **including repairs and batteries** up to **\$3,500.00** lifetime maximum.
- (i) In the event of death of an active Toronto Hydro employee, the surviving spouse and dependants shall continue to receive full medical and hospital services coverage at the Employer's expense for a period of two (2) years.

(j) When an active employee dies as a direct result of a physical injury suffered on the job or occupational disease directly related to their employment with Toronto Hydro and the claim is accepted and paid for by the WSIB, the Surviving Spouse and the dependent children under the age of twenty-one (21) or as defined in 24.09 (k) shall continue to receive full medical and hospital services coverage at the Employer's expense for fifteen (15) years or until normal retirement age of the deceased employee whichever is less. The provision of this Article shall be retroactive to February 1, 1991. This dependent children benefit ceases after age 21 or age 25 if attending a recognized post secondary institution. Where benefits are received under this Article, Article 24.09 (i) shall not apply.

(k) Medical and Hospital Services coverage will include unmarried dependent students who are in full time attendance at a recognized post-secondary institution up to age twenty-five (25).

24.10 The Employer will pay the premium based on the prevailing Ontario Dental Association fee schedule necessary to provide equal or superior coverage to the present dental plan.

Effective February 1, 2006, the Dental Plan includes fixed prosthodontic (including implants) services on a 50% co-insurance basis.

The Dental Plan will include orthodontic services on a 50% co-insurance basis to a maximum of \$4,000 per employee and \$4,000 per family member covered once in a lifetime.

24.11 The Union will be advised of the names of the carriers. Carriers will be for the term of the Agreement, in so far as practicable.

24.12 If the Employer contemplates a change in Carriers of any of the above plans during the life of this Agreement, the Employer agrees to give notice and provide the Union with a copy of the proposed carrier's plan(s) so that the Union will be assured of identical coverage prior to the implementation of the proposed carrier's plan.

#### Long Term Disability

24.13 The Employer agrees to enter into an arrangement with an Insurer licensed under the Insurance Act to provide a Long Term Disability Plan.

All employees of the Employer become eligible for membership in the plan on or after the effective date of the plan.

## Definitions

For purposes of the plan, the meaning of each of the following terms is limited to the definition shown.

- (a) Total Disability – An employee shall be totally disabled, or Total Disability shall exist, when the employee is not engaged in any occupation or performing any work for compensation or profit and is suffering from such a state of bodily or mental incapacity resulting from injury or disease as would,
  - (i) During the Elimination Period specified below and during the next following twenty-four (24) months, prevent the employee from performing any and every duty pertaining to her/his normal occupation and,
  - (ii) If Total Disability has continued during such Elimination Period and during the next twenty-four (24) months, then during the continuance of such disability, wholly prevent such employee for compensation or profit, from engaging in any occupation and performing any work at Toronto Hydro for which the employee is reasonably qualified by education, training or experience.
- (b) The Elimination Period for all employees is a minimum of six (6) months continuous absence from the date an employee first becomes disabled.

Employees shall be granted the option of utilizing all or part of accumulated sick pay credits to increase the elimination period.

Employees who run out of sick pay credits will be granted sick leave without pay until such time as the Long Term Disability Elimination Period elapses.

Employees shall maintain all rights and benefits of the Collective Agreement during the Elimination Period.

## Benefit Schedule

An employee who is a member of the plan may become eligible for not more than the maximum Monthly benefit amount, calculated in accordance with the applicable Benefit Formula which is indicated below:

### Benefit Formula

Effective no later than 45 days from the date of ratification of this agreement, 75% of the employee's basic monthly earnings, to a \$5,500 monthly benefit maximum.

Amounts of employee's monthly benefit which are not integral multiples of \$1.00 are rounded to the next higher dollar.

All benefit coverage provided by Article 24 of the Collective Agreement will continue while receiving payments on the plan.

### Vacation

Vacation entitlement will be paid to the employee at the end of the year in which they commence to receive Long Term Disability benefits based on full payment of any carryover from the previous year and pro-rated for the current year to the time of commencement of Long Term Disability benefits.

### Effective Date

The date that the Agreement with the Insurance Company comes into force which will be within six (6) months of ratification of the Collective Agreement.

### Rehabilitative Employment

If an employee becomes capable of working after thirty (30) months of disability leave, s/he will be offered a position at Toronto Hydro for which s/he is reasonably fitted by training, education or experience. The employee would be paid the greater of the job rate or the amount equivalent to the Long Term Disability payment. If the Long Term Disability payment is greater than the job rate, the employee would continue to receive such rate until the job rate, through general increases, matches the Long Term Disability amount. Thereafter, the employee will receive any future general increases.

In the event the employee rejects the offer of rehabilitative employment, s/he forfeits all rights to Long Term Disability benefits.

The position offered shall be discussed at the Accommodation Committee and shall be first within the employee's own bargaining unit. If there is no position within the employee's bargaining unit, consideration will be given to placing the employee in the Inside bargaining unit.



### Sick Pay Credit

Accumulated sick time will be granted under the following conditions:

- 24.14 With supporting medical certificate when required by the Employer which shall be at least when continuous absence due to illness is more than three (3) full working days. The medical certificate shall include prognosis and anticipated date of return and any restrictions. The medical certificate shall be sent directly to the Health Centre.
- 24.15 After ten (10) continuous days of absence due to illness the Employee must provide the Health Centre with a fully completed Attending Physician Statement that consents to release medical information to the Health Centre and allows communication with the Attending Physician.
- 24.16 Employee shall be at home, in hospital, or at doctor's when visited by the Employer's representative.
- 24.17 Employee has notified her/his Department of necessity for absence as follows:

### Non-Shift

Within thirty (30) minutes of normal start time of first day of absence.

### Shift

- (a) By one (1) hour before day shift start.
  - (b) By three (3) hours before afternoon and evening shift start.
- 24.18
- (a) Cumulated credit is allowed for service from January 1st, 1925. One day is allowed for each complete calendar month remaining in first calendar year of employment to a total of ten (10) days.

One-and-a-half (1½) days are allowed for each complete calendar month of continuing employment from January 1<sup>st</sup> of the year following date of employment to a maximum of sixteen (16) days. Employees engaged prior to January 1st, 1962, do not receive less favourable consideration than under the earlier regulations which are continued at the discretion of the President/CEO with allowance as follows:

1 to 8 years of service.....	24 days,
In excess of 8 and less than	
20 years.....	48 days,
20 years of service.....	72 days.

- (b) Sick time shall be taken on the basis of the number of hours scheduled for the day on which the absence occurs.

24.19 At the discretion of the Employer, additional grants may be given.

24.20 Employee absent due to illness is permitted allowance of sick pay to the limit of net accumulated credit as of the end of that calendar year with deduction of the allowance from sick pay credit accumulation. In the calendar year following a full calendar year of employment in which an employee has worked less than six months, sick pay is allowed to the limit of net accumulated credit as of the end of each completed calendar month.

Effective February 1, 1982 absence due to accident or illness accepted and paid for by the WSIB is not charged to sick pay credit; employee so absent is permitted allowance of such amount by the Employer as is necessary in supplement to the Board award to equate with her/his normal straight-time pay, for as long as s/he is employed by Employer. It is understood that this Article does not provide any retroactive payments prior to February 1, 1982.

Effective February 19, 1987, an employee who is absent due to a new accident or illness accepted and paid for by the WSIB will receive her/his normal straight-time earnings made up of the Board award and the Employer supplement but no employee is to receive additional monies including tax adjustment as a result of being absent on WSIB.

The Employer will advance full straight-time wages to an employee who has submitted a claim to the WSIB, prior to an award being granted. Should the WSIB reject the claim or should the employee elect not to claim compensation, the employee's time will be charged to her/his sick bank and any overpayment made will be recovered by the Employer within one (1) year.

24.21 The existing employees who have retained sick pay credit vesting rights as of January 31, 1999, upon termination of employment, by retirement on pension, there is paid an amount equal to the cumulated sick pay credit of the employee but such amount is not to exceed the aggregate amount of her/his remuneration for the following periods:

At least 10 years and less than 15 years - 3 calendar months;

At least 15 years and less than 20 years - 4 calendar months;

At least 20 years and less than 25 years - 5 calendar months;

At least 25 years - 6 calendar months.

24.22 Existing employees who have retained sick pay credit vesting rights as of January 31, 1999, upon termination of employment in good standing with at least 20 years of service and other than by retirement on pension, there shall be paid an amount equal to one-half of the employee's cumulated sick pay credit but such amount shall not exceed the aggregate amount of her/his remuneration for the following periods:

At least 20 years and less than 25 years - 2 calendar months;

At least 25 years - 3 calendar months.

24.23 Payment on account of deceased employee is to her/his dependents, if any; if there are no dependents, then to her/his estate.

24.24 New employees hired on or after February 1, 1999, will have no sick pay credit vesting right.

24.25 Employees of the former York Hydro will be given a one-time grant of sick pay credit of forty-five (45) days. As of January, 2000 they will accumulate sick pay credit on the same basis as in Article 24.18.

#### Sick Pay Credit Payout

24.26 Pay out of accumulated sick pay for employees who have vested sick pay credits (vesting rights) shall be as per the pay out provisions of their former Collective Agreements immediately before the amalgamation (January 1, 1998).

## Pensions

24.27 The basic pension plan is the OMERS Final Average Earnings plan implemented January 1, 1978 (as amended). Normal retirement is provided at age 65 with an unreduced early retirement allowed under OMERS Formula 90 (when the employee is within 10 years of normal retirement and her/his age plus credited service totals 90). There is available an early retirement option with a reduced pension. An early retirement option may be allowed under OMERS type 3 supplement for those employees eligible.

The Optional Service benefit shall be available to each employee who exercises her/his option prior to May 1, 1978, in accordance with the terms of the Agreement effective February 1, 1977. Any employee under age 65 wishing to take advantage of the Optional Service benefit must provide the Employer with six (6) months' notice of her/his intention to retire. Subject to Labour/Management consultation, this notice may be waived due to extenuating circumstances.

It is understood and agreed that employees taking early retirement under OMERS Formula 90 or otherwise shall provide the Employer three (3) months' notice of intent to retire.

When an active employee dies as a direct result of a physical injury suffered on the job or occupational disease directly related to their employment with Toronto Hydro and the claim is accepted and paid for by the WSIB, the surviving spouse or dependent children under the age of 21 where there is no spouse shall continue to receive the normal, straight-time earnings of the deceased employee in effect at the time of the employee's death for the next fifteen (15) years or until normal retirement age of the deceased employee which ever is less. Any payments paid shall be reduced by the amount paid or received under the OMERS Pension Plan, Canada Pension Plan, and WSIB. The provisions of this Article shall be retroactive to February 1, 1991.

When an employee is totally and permanently disabled as a direct result of an injury suffered on the job and the accident is accepted and paid for by the WSIB, the employee shall continue to receive the normal, straight-time earnings and benefits in effect at the time of permanent disability for one full year. Any payments or benefits received shall be reduced by the amount paid or received under the OMERS Pension Plan, Canada Pension Plan and WSIB.

## ARTICLE 25

### LABOUR/MANAGEMENT COMMITTEE

- 25.01 The Union and Management recognize that effective labour relations depend on co-operation and good communications between the parties. They will meet on a bi-monthly or as required basis if initiated by either party, subject to an agenda to resolve issues of common concern.

This consultative committee will operate in an open forum in which the free exchange of ideas will encourage understanding and lead to the resolution of issues.

The Employer and the Union agree that their senior representatives will meet to discuss matters of mutual interest, together with a secretary appointed by the Employer. Accordingly, the Committee shall have no authority to change, delete, or modify any terms of the Collective Agreement nor to settle grievances. It is the intention of the parties that this committee will work towards improving the relations between them and the employees they represent. Minutes shall be recorded and copy sent to each of the members within ten (10) working days of the meeting.

- 25.02 The Committee will consist of three (3) members of Management and three (3) members from the Union. Each party may bring up to two (2) “subject matter experts” to the meeting, depending on the issues to be discussed. Agenda items will be exchanged, in writing, five (5) working days prior to the requested meeting. Agenda shall mean new or unfinished business.

The Union Representative in attendance at the meetings shall be permitted to remain away from work for the remainder of the day. Time absent from work will be at the Employer’s expense.

## ARTICLE 26 HEALTH & SAFETY

The employer and the union acknowledge their joint and separate role and responsibilities under the Occupational Health and Safety Act.

- 26.01 Safety Committees relating to the Outside and Inside employees represented by the Union shall meet to discuss Health and Safety matters of concern. Toronto Hydro and C.U.P.E. Local One have established a two tiered Joint Union-Management Health and Safety Committee Structure. The two committee levels are Workplace Health and Safety Committees and Health and Safety Steering Committee.

### The Workplace Committee

- 26.02 The Workplace Committees will have an equal number of Union and Management representatives not to exceed three each, unless as mutually agreed otherwise, and will have Co-Chairpersons. Each Committee will meet bi-monthly or more frequently with Joint Co-Chairpersons' approval.

### Terms of Reference

The terms of reference for the Workplace Committees will include the following, as they apply to the area covered by each Workplace Committee.

- (i) Identify, evaluate and make recommendations regarding all matters pertaining to health and safety in the workplace covered by the Workplace Committee.
- (ii) Review and make recommendations on safety concerns which have been forwarded by the **Environment, Health and Safety** Department and unresolved Safety Concern Report forms from the employees covered by the Workplace Committee.
- (iii) Inspect the workplace, as required by the Occupational Health and Safety Act (Ontario), on the basis of one (1) day every **month** in each area.
- (iv) The Union Co-Chairperson will be provided one (1) day every two months as a pre-meeting preparation day.
- (v) The Union Committee members shall be allowed not less than two hours between the termination of the meeting and return to their normal duties for meals, clothing change, and travel. Time absent from work will be at the Employer's expense and shall not be charged to the grievance work order.

- (vi) Recommend to the Employer and the workers the establishment, maintenance and monitoring of programs, measures and procedures respecting the health and safety of workers.
- (vii) Obtain information from the Employer respecting the identification of potential or existing hazards of materials processes or equipment and information respecting health and safety experience, and work practices and standards in similar or other industries of which the employer has knowledge.
- (viii) Review of new work procedures and amendments to existing work procedures. This includes discussion at the commencement of the development of new major work procedures.
- (ix) Review and recommend on proposed revisions to the Safety Rule Book and Work Protection Code. These recommendations will be forwarded to the Health and Safety Steering Committee.
- (x) The Committee will be supplied with copies of all existing safety related Letters of Instruction. The Committee will review and recommend on all proposed new safety related Letters of Instruction.

These recommendations will be forwarded to the Health and Safety Steering Committee.

- (xi) Committee members will receive the certification training as per OHSA (Ontario) at the Employer's expense. The method of presentation of the course will be determined by the Health and Safety Steering Committee. Training shall be provided within three (3) months of election or selection to the Committees.
- (xii) Committee minutes will be produced by the Employer and submitted for approval to the Co-Chairpersons. Each new topic will constitute a new item and when items are in the process of being implemented, they would be so noted and a future review date established. They would then be carried but not discussed without agreement of the Joint Co-Chairpersons.
- (xiii) The Committee **be provided with all** accident reports **involving Toronto Hydro employees.**
- (xiv) Matters unresolved in a Workplace Committee may be referred by either the Union or Management Co-Chairperson to the Joint Health and Safety Steering Committee. Referrals will include a statement of the problem, recommended solutions and reasoning to support the recommendation.

- (xv) With the agreement of both the Union and Management Co-Chairpersons, unresolved matters may be referred to the Union Health and Safety Representative and the Vice President Environment Health and Safety for the purpose of resolving the matter prior to referral to the Steering Committee. If the matter can not be resolved in this way, it will be referred to the Steering Committee. Referrals will include a statement of the problem, recommended solutions and reasoning to support the recommendation.
- (xvi) Additional committees may be established at the Workplace level by the Steering Committee.

### The Steering Committee

#### Structure:

- 26.03 The Steering Committee will have an equal number of Union and Management representatives not to exceed **two (2) including** Co-Chairpersons. **The Union Co-Chairperson shall be the Union Health and Safety Representative.** The Committee shall meet subject to an agenda being given five (5) working days in advance to the Secretary, who shall see that all Committee members have a copy three (3) working days previous to each meeting.

Unfinished business shall be considered agenda. Minutes of the **quarterly** meeting shall be recorded and sent to each member within ten (10) working days of the meeting. **The Committee shall meet at least once every three (3) months.** The Committee may meet more or less frequently with Joint Co-Chairpersons' approval.

### Terms of Reference

The terms of reference of the Steering Committee will include the following:

- (i) Co-ordinate the work of the Workplace Committees.
- (ii) Deal with matters referred from the Workplace Committees.
- (iii) Deal with health and safety matters which, because of their complexity or scope, are inappropriate for the Workplace Committees.
- (iv) Identify, evaluate and make recommendations regarding all matters pertaining to health and safety in the workplace.



- (v) The Union Co-Chairperson will be provided one (1) day every **quarter** as a pre-meeting preparation day.
- (vi) The Union Co-Chairperson shall inspect the workplace, as required by the Occupational Health and Safety Act (Ontario) on the basis of one (1) day per month.
- (vii) The Union Committee members shall be permitted to remain away from work for the remainder of the day. Time absent from work will be at the Employer's expense and shall not be charged to the grievance work order.
- (viii) Minutes shall be taken by a secretary appointed by the Employer who is not a Committee member.
- (ix) Recommend to the Employer and the workers the establishment, maintenance, and monitoring of programs, measures and procedures respecting the health of workers.
- (x) Obtain information from the Employer respecting the identification of potential or existing hazards of materials processes or equipment and information respecting health and safety experience and work practices and standards in similar or other industries of which the Employer has knowledge.
- (xi) Committee members will receive the certification training as per OHSA (Ontario) at the Employer's expense. The method of presentation of the course will be determined by the Health and Safety Steering Committee. Training shall be provided within three (3) months of election or selection to the Committees.
- (xii) Establish additional committees at the Workplace level with specific mandates.
- (xiii) Changes to the Safety Rule Book: If in the normal course of adding to or amending the Safety Rule Book, The Joint Steering Committee cannot reach agreement on the additions or amendments, the Ministry of Labour will be asked to intervene to assist in resolving the issue. If an urgent change must be made in the Safety Rule Book to protect the Health and Safety of the workers the Employer will satisfy its responsibility under the Act by making such a change and the Union reserves its rights under the Act to challenge the change.

26.04

- (a) The Health and Safety Representative, designated by the Union from among the employees represented by the Union, shall undertake investigative responsibilities as directed by the Committee. Time so spent shall be considered as time worked.
- (b) **The Union Health and Safety Representative, along with a Management Representative, shall inspect each work centre as required by the Occupational Health and Safety Act (Ontario) every month.**
- (c) **The Union Health and Safety Representative and the Director of the Environment, Health and Safety Department will work collaboratively and foster a proactive approach to health and safety throughout the organization.**

Inclement Weather

- 26.05 The Employer will determine whether or not weather conditions permit the normal operation of the duties of the employees covered by the Agreement. In the absence of the Employer the senior qualified employee will make the determination on site. In the event of adverse weather conditions the employees covered by this Agreement will carry out such other work as is designated or assigned to them by their Supervisor or allowed standby at straight time.

Safety

- 26.06 An employee who has been ordered to work in violation of the Employer's safety rules may refuse to perform that work.

VDT Workers

- 26.07 A pregnant employee upon her written request will be assigned alternate work in the same Service Centre with no loss of seniority or salary. A VDT emission level test shall be performed on the request of the pregnant employee.

Students

- 26.08 Only technical, competent students shall work in close proximity to energized Hydro plant while supervised by a competent person. Competent is defined by the OHSA.

In all other circumstances only competent employees shall work in close proximity to energized hydro plant. Competent is defined by OHSA.

## ARTICLE 27 ACCOMMODATION

CUPE Local One and the Employer are jointly committed to re-integrating employees back into the workplace who have suffered an occupational or non-occupational injury or illness. The Union and Management will work together through an Accommodation Committee, which will operate on a consultation basis.

### Accommodation Committee

- 27.01 The Accommodation Committee will consist of three (3) Union Representatives and three (3) Management Representatives who will meet once every two (2) months or as necessary to discuss both permanent and temporary accommodations.

The Accommodation Committee shall:

- (1) Recommend to Toronto Hydro Management procedures and practices to ensure safe, consistent, and fair administration of the joint Early and Safe Return to Work Program.
- (2) Review and recommend to Toronto Hydro Management modified work assignment for employees who have been injured on the job on both a temporary and a permanent basis.
- (3) Meet regularly to monitor each modified work assignment and the overall performance of the joint Early and Safe Return to Work Program.
- (4) Recommend to Toronto Hydro Management changes to the joint Early and Safe Return to Work Program as appropriate.

The Union Committee members shall be allowed not less than two (2) hours between the termination of the meeting and return to normal duties for meals, clothing change and travel.

Time absent from work will be at the Employer's expense. Preparation time will be subject to approval by the Employer.

### Reimbursement for Additional Medical Documentation

- (5) The Employer shall bear the cost of any additional required medical information or documentation beyond the initial medical request setting out non-occupational accommodation needs.

### Permanent Placement

27.02 Employees who have suffered a permanent work-related injury/illness accepted and paid for by the WSIB, and who are medically fit to perform work may be placed as follows:

- (1) In the employee's existing job, if the employee is medically fit to perform the job duties.
- (2) In the employee's existing job, with modified duties, if the employee is medically fit to perform the job as modified, and the modifications permit the performance of the essential duties of the job.
- (3) In another classification within the employee's Bargaining Unit with approval of the Accommodation Committee.
- (4) In another classification within the 'other' Bargaining Unit with approval of the Accommodation Committee.
- (5) In a classification created specifically to accommodate the employee with approval of the Accommodation Committee. An employee returning to work will receive the current annual rate of pay for her/his pre-injury/illness position, including shift premium, or the minimum annual rate of the new classification, whichever is greater, plus any future negotiated increases for that classification.

As a condition of this continued wage protection, an employee who has been placed in a position other than the employee's previous position, will apply for all posted vacancies for which they are qualified and which have an annual rate greater than their new classification and equal to the employee's current annual rate.

### Temporary Placement

27.03 Employees who have suffered a temporary work-related injury or illness, and who have submitted a claim to the WSIB, and who are medically fit to perform work may be placed as follows:

- (1) In the employee's existing job, if the employee is medically fit to perform the job duties.
- (2) In the employee's existing job, with modified duties, if the employee is medically fit to perform the job as modified, and the modifications permit the performance of the essential duties of the job.
- (3) In a classification within either Bargaining Unit with approval of the Accommodation Committee.

The wage of the employee who is placed under this program will be protected at the pre-injury/illness level or the minimum of the new classification, whichever is greater, plus any future negotiated increases for that classification.

Where a scheduled increase or progression occurs during a temporary placement of not less than three (3) months, the employee will receive such increase or progression upon satisfactory demonstration of competency during a trial period of thirty (30) days.

## **ARTICLE 28**

### **TRAINING**

- 28.01 The Employer may, subsequent to consultation at the Labour/Management Committee, determine that employees require additional knowledge and/or skill. The Employer may provide the necessary facilities and instruction to enable such employees as designated by the Employer to acquire the additional knowledge and/or skills at no loss in wage, and during this training period the Employer will compensate such employees for any travel and/or meal expense.
- 28.02 When the Employer undertakes a new programme of training in a skilled trade, there will be joint representation of one Employer representative and one qualified journeyman from that trade, as designated by the Union, who will meet for the purpose of discussing and making recommendations relating to the course content. Recommendations will be discussed by the Labour/Management Committee.

**ARTICLE 29**  
**JOB SECURITY**

- 29.01 Should any employee's job be eliminated due to contracting out by the Employer, or as a result of a directive to Toronto Hydro from its controlling Shareholder in regards to the regulated electricity distribution business, the employee will be placed in another job for a period of six (6) months and retrained in the new progression series. Following this the employee will be subject to the probation clause.

The employee will retain her/his current rate of pay and current wage range. In addition, the employee will receive future general increases and step increases in accordance with the Collective Agreement. The Union will be advised two (2) months in advance of such occurrence and will be given opportunity for discussion.

**ARTICLE 30**  
**TECHNOLOGICAL CHANGE**

Advance Notice

- 30.01 When the Employer has determined that technological change, which will eliminate or significantly change a job, will be introduced, the Union will be provided not less than two (2) months' advance notice and will be given the opportunity for discussion.

Priority Rights

- 30.02 During the advance notice period, as described in Article 30.01, employees who are so affected will have priority rights to fill any posted vacancy of an equivalent or lower classification level, provided they are qualified, with the employee with the greatest employment seniority having first priority rights. Should the posted vacancy be at a level lower than the employee's technologically-impacted position, the employee will retain her/his current rate of pay and current wage range. In addition, the employee will receive future general increases and step increases in accordance with the Collective Agreement.

### New Job

- 30.03 Should a job be eliminated due to technological change and a new job created, the Employer will provide the affected employees, on an employment seniority basis, up to six (6) months' training. Additional training may, subsequent to consultation with the Labour/Management Committee, be provided.

Should there be an insufficient number of newly created jobs, or should no new jobs be created, or should the affected employees choose not to accept the training, then the employees will have the option of being returned to their respective immediate previous positions, or being placed in other positions by the Employer. The Employer will provide up to six (6) months' training. Such employees will retain the current rate of pay and current wage range. In addition, these employees will receive future general increases and step increases in accordance with the Collective Agreement.

Following training, the Probation Article shall apply.

### Significant Change

- 30.04 Should a job be significantly changed due to technological change, the Employer will provide the incumbents up to six (6) months' retraining. Additional training may, subsequent to consultation at the Labour/Management Committee, be provided.

Should this technological change reduce the number of incumbents previously required, then the employees on a least employment seniority basis shall have the option of being returned to their respective immediate previous positions or being placed in other positions by the Employer. The Employer will provide up to six (6) months' training. Such employees will retain the current rate of pay and current wage range. In addition, these employees will receive future general increases and step increases in accordance with the Collective Agreement. Following training received in a new job, the Probation Article shall apply.

- 30.05 In the event the affected employees cause displacement of other employees, the Employer will not be required to provide notice, maintenance of wages or other payments to the displaced employees.

- 30.06 Any employee, whose current rate of pay and current wage range is being retained, as described in Article 30.02, 30.03 and 30.04 shall continue to receive such wage retention provided s/he applies for all posted vacancies for which s/he is qualified. The employee will have priority rights, for such posted vacancies, on an employment seniority basis. Priority rights shall be limited to all those vacancies, above the level at which s/he is being occupied, up to and including the level at which s/he was previously occupied at the time of technological change. Such priority rights and employee obligation to apply for posted vacancies shall continue to be in effect until the employee regains the level from which s/he was originally displaced.

### ARTICLE 31 **RETROGRESSION**

- 31.01 The Employer will inform the Union two (2) months in advance of any change in the working forces which may result in retrogression or layoff.
- 31.02 In the event of an employee being retrogressed to a lower classification, the employee will maintain her/his present wages for a period of twelve (12) months.
- 31.03 Where a surplus of employees occurs in any classification, Employment Seniority shall apply in the event of retrogression taking place. Employees with the least Employment Seniority shall be the first to be retrogressed and the following retrogression practices shall apply - insofar as they do not interfere with the Employer's operation.

An employee with Employment Seniority shall be able to retrogress any employee with less Employment Seniority than her/himself in her/his own classification or in any classification where s/he has relative experience.

In the trades a retrogressed Journeyperson shall be able to retrogress another employee with less Employment Seniority in another trade if she/he has the proper designated certificate in that trade at the Journeyperson level. In the event that there are apprentices, a retrogressed Journeyperson will be allowed to retrogress an apprentice with up to eighteen (18) months' experience if the Journeyperson has relative experience in that trade.

- 31.04 The employee who has Employment Seniority and is retrogressed shall be the first to fill a vacancy in her/his former classification.



- 31.05 An employee who exercises her/his seniority rights in the above manner shall be allowed the regular probation period and will be provided training to familiarize her/himself with her/his new duties.

Training will be subject to the mutual agreement of the Labour/Management Committee.

## ARTICLE 32 PERFORMANCE APPRAISAL

- 32.01** Employee's current Performance Appraisal Review Record supersedes all previous Performance Appraisal Review Records. A Performance Appraisal Review Record shall be made out by the employee's immediate Supervisor on the employee's anniversary date of entering the classification (with the exception of the Probation Article 10.10 to 10.15).

Should an employee receive a "Fair" Performance Appraisal Review Record s/he is given not less **than** thirty (30) days to obtain a "Good" or higher Performance Appraisal Review Record. If an employee fails to obtain a "Good" or higher Performance Appraisal Review Record by the end of the prescribed time period, a "Low" Performance Appraisal Review Record will be issued.

Should an employee receive a "Low" Performance Appraisal Review Record s/he is given not less than thirty (30) days to obtain a "Good" or higher Performance Appraisal Review Record.

Should an employee receive a "Low" or "Fair" Performance Appraisal Review Record, **the immediate supervisor shall meet with the employee and review to clearly set out in writing performance development actions designed to assist the employee in achieving a "Good" or higher performance appraisal review record in no less than thirty (30) days from the date of the meeting.**

Employees disagreeing with their Performance Appraisal Review Record may refer it to Grievance Procedure. Employees shall not sign their Performance Appraisal Review Record unless it is completed in detail.

Employee shall be supplied with a copy of her/his Performance Appraisal Review Record. **When requested, the employee shall be given one (1) working day to review the appraisal.**

Any changes to the Performance Appraisal Review Record and associated process are subject to consultation with the Labour/Management Committee.

## Records

- 32.02 An employee shall have the right to have access and review her/his personnel record at a time convenient to the Department Supervisor and the Human Resources office.

No evidence from the employee's record may be introduced as evidence in any hearing of which the employee was not aware at the time of filing said record in her/his personnel file.

An employee may request copies of any material contained in her/his personnel record.

## Warning

- 32.03 All warnings received by an employee that could affect her/his Performance Appraisal Review Record shall be in writing from her/his Certified Crew Leader/Supervisor, which the employee shall sign to acknowledge s/he has received a copy. The Certified Crew Leader/Supervisor shall retain the warnings until the employee's next "Good" or better Performance Appraisal Review Record, at which time they shall be destroyed.

## **ARTICLE 33 HOURS OF WORK AND OVERTIME**

- 33.01 For employees not on shift work a normal working day is eight (8) hours from 7:30 a.m. to 3:30 p.m. The exceptions to this are:

\*Stores/Warehouse: 7:00 a.m. start

8:00 a.m. start

\*Buildings: 7:00 a.m. start

8:00 a.m. start

Fleet: 7:00 a.m. start

\* Senior employees at that location will be asked first for their preference on start time, should all refuse then the junior person(s) will be assigned.

A one-half (1/2) hour paid lunch to be taken in the vicinity of the work site for all Field Crews. For those employees who were previously entitled to a one-half (1/2) hour paid lunch, they shall be red circled. Variation of the time of commencement of lunch period shall be at the Certified Crew Leader's discretion.

A normal working week is one of forty (40) hours, consisting of five (5) normal working days, Monday to Friday.

- 33.02 Shift employees shall follow a posted master schedule, which consists of an average work week of forty (40) hours over the length of its duration. The schedule shall be composed of seven (7), eight (8), ten (10), twelve (12), twelve and one half (12 ½) hour shifts or a combination thereof.
- 33.03 System Response Representative shall work either ten (10) or twelve (12) hour shifts or a combination thereof.
- 33.04 Station Response Representative shall work either eight (8) or twelve (12) hour shifts or a combination thereof.
- 33.05 Power System Controller shall work either seven (7), eight (8), ten (10), twelve (12), twelve and one half (12 ½) hour shifts or a combination thereof.
- 33.06 Trouble Dispatcher shall work either eight (8), or twelve (12) hour shifts or a combination thereof.
- 33.07 Fleet and Equipment Operation Department shift workers shall work:

8 Hour Shift

Days, Monday to Friday commencing at 07:00 hrs.

10 Hour Shift

Afternoons, Monday to Thursday commencing at 14:30 hrs.

- 33.08 Field Service Representative shall work eight (8), or twelve (12) hour shifts, days, Monday to Friday.

Start Times:

- 8-hour day shift 07:30 to 15:30;
- 12-hour day shift 07:30 to 19:30.

- 33.09 Shift employees start times are as follows:

7 Hour Shift

Days: 07:00 to 09:00

Afternoons: 14:00 to 16:00

Nights: 21:00 to 23:00

### 8 Hour Shift

Days: 07:00 to 09:00

Afternoons: 15:00 to 17:00

Nights: 23:00 to 01:00

### 10 Hour Shift

Days: 06:00 to 08:00

Afternoons: 16:00 to 18:00

### 12 Hour Shift

Days: 06:00 to 08:00

Afternoons: 12:00 to 14:00

Nights: 18:00 to 20:00

### 12 ½ Hour Shift

Days: 07:00 to 09:00

Afternoons: 12:00 to 14:00

Nights: 18:00 to 20:00

## Schedules

### 33.10

- (a) All shift employees' hours of work and days off shall follow the posted master schedule, except for employees (to a maximum of four) posted as spare or employees (to a maximum of eight) posted as relief per location. Master schedules shall be posted for a six (6) month duration.
- (b) Changes to the master schedule for operational purposes may be made after eight (8) weeks notice in writing to the Union and the affected employees.
- (c) Changes to the master schedule for training purposes may be made after two (2) weeks notice to the affected employee, or some shorter period of time with the consent of the affected employee. These changes shall only affect the employee being trained.
- (d) With the approval of the Employer qualified employees may trade shifts provided notice is submitted, in writing, to their Employer and signed by both affected employees twenty-four (24) hours in advance of the requested shift change. Approval for requested shift change shall not be unreasonably withheld.

- (e) The summer work schedule for all shift employees shall be posted by May 1<sup>st</sup> of each year.
- (f) The weekly shift schedule for the hours of work shall be posted by 3:00 p.m. on Wednesday.
- (g) The posted master shift schedule will contain the following information:
  - regular shift employees' names;
  - start and stop time of the shifts;
  - spares and reliefs;
  - assigned shifts;
  - scheduled off days.

#### Shift Differentials

- 33.11 Rates Listed in Schedule O for shift employees who work on a seven (7) day rotating shift schedule which includes weekends and or public holidays shall be increased by a shift differential of 6%, and shall be applied for all hours paid. For fringe benefits, this premium shall be considered as part of the basic rate.
- 33.12 For employees working on a rotating shift schedule which does not include weekends or public holidays will receive seventy (70) cents per hour for all hours paid. For fringe benefits, this premium shall be considered as part of the basic rate.

#### Standby Period

- 33.13 Standby period applies only to those employees in a classification who have been placed on a Standby list. Standby time commences at normal stopping time of the workday and terminates at the regular starting time of the next working day.

Standby periods for employees detailed on the Standby List may be from one (1) to seven (7) days in length. Payment shall be at three (3) hours at straight time pay for each day on standby on a weekend and/or public holiday and one and a half (1 ½) hours at straight time pay for other week days on standby, plus in all cases, regular overtime rates for overtime worked.

Standby list shall be posted **four (4) times per year on the 1<sup>st</sup> of March, June, September and December and will commence on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup> respectively.**

Overtime

- 33.14 Regular work of the Employer is conducted seven days in the week and overtime results when employee is required to work beyond regular work hours, (see Hours of Work) or as defined in the following overtime Articles. An employee on overtime work is not expected to work longer than s/he can perform her/his duties safely and efficiently.

Termination of the work period is at the discretion of the Certified Crew Leader, but no employee shall work continuously for more than twenty-four (24) hours and a period of at least eight (8) hours must elapse before the employee is recalled for further work.

Absence with Pay

- 33.15 An employee on overtime for a minimum of six (6) hours, terminating between four (4) and seven (7) hours preceding her/his normal starting time of a regular work day, shall remain away from work until the beginning of the latter half of her/his regular work day.

An employee on overtime for a minimum of six (6) hours, terminating less than four (4) hours preceding her/his normal starting time of a regular work day shall remain away from work for the balance of that day. Employee so absent shall not suffer any loss of straight-time pay for the scheduled hours not worked in her/his regular working day.

- 33.16 During circumstances of extreme emergency, Article 33.15 shall not apply.
- 33.17 Overtime shall be allotted among the employees as equitably as practicable among the employees within a district or department. The Employer shall maintain overtime records and the Union Steward shall have access to the record of her/his Department or Section. When an employee is permitted by the Employer to decline overtime, s/he shall be recorded as having had the opportunity. This provision does not apply to employees residing outside the boundaries of the City of Toronto.
- 33.18 Call-out includes travel allowance as outlined in provision 33.31 and total amount paid for the calls is not less than two hours' premium time.

33.19

- (a) The Employer will make every effort to avoid requiring pre-arranged overtime without twenty-four (24) hours' notice. If an employee is scheduled to work pre-arranged overtime and s/he is notified during her/his off hours that the pre-arranged job has been cancelled, s/he shall be paid two (2) hours' premium time.
- (b) When an overtime work period is broken up by up to five (5) hours because continuous work is not required, the employees shall be provided alternate work or shall stand by at premium time until work is resumed.

Non-Shift

Monday to Friday

- 33.20 When required to continue working on her/his regular working day after her/his regular stopping time, is paid at double time until released.

33.21

- (a) When called out on her/his regular working day less than four (4) hours before her/his regular starting time, is paid at double time for the period before her/his regular starting time, straight time for the scheduled working hours and at double time until released.
- (b) When called out on her/his regular working day, four (4) hours or more before her/his regular starting time, is paid at double time until released.

- 33.22 Time worked in excess of eight (8) hour day during regularly scheduled meal period, is paid at double time.

33.23 Saturday and Sunday

Time worked is paid as follows:

0001 hours to 2400 hours at double time.

33.24 Public Holiday

Time worked is paid as follows:

0001 hours to 2400 hours at double time, plus normal as provided under Public Holiday.

## Shift

### Regular Working Day

33.25

- (a) When required to continue working beyond her/his scheduled shift after her/his regular stopping time is paid at double time until released.
- (b) Except in cases of extreme emergency, it is expected that shift workers working in shift longer than eight (8) hours will call for relief at the site if the time required to complete the work appears to extend beyond the normal stop time.

33.26

- (a) When called out less than four (4) hours before her/his scheduled shift, is paid at double time for the period before her/his regular starting time, straight time for the scheduled working hours and at double time until released.
- (b) When called out four (4) hours or more before her/his scheduled shift, is paid at double time until released.

33.27 Time worked on scheduled off-days is paid at double time.

## Public Holiday

33.28

Hours worked by shift employees on regular shift on an observed Public Holiday are paid at double time and receive a day in lieu unless Public Holidays have been provided for in the shift schedule.

33.29 Shift and Non-Shift employees shall have the option of being paid overtime worked at the premium rates, as provided in the overtime provisions of the Agreement, or being paid at straight-time for the overtime hours worked and accumulating lieu time hours, equivalent to the actual hours worked, to a maximum of fifty-six (56) hours per year. An employee shall be allowed to carry over any portion of one (1) year's overtime lieu.

For shift employees whose normal work day is more than eight (8) hours lieu time shall be taken in conjunction with scheduled vacation.



- 33.30 When accumulated lieu time is not taken, the employee shall be reimbursed at the end of the term of the Agreement in an amount equivalent to accumulated lieu time not taken. Payment shall be at the employee's current rate of pay in effect at the end of the term of Agreement.

#### Travel Time

- 33.31 Travel time to and from duty report points designated by the Employer is not allowed except as follows:

- (a) Employee called out for immediate report shall be paid from time of call, plus a half (1/2) hour at double time to return home, except payment for returning home does not apply when the work terminates at normal stopping time. Responsibility for infringement of travel time rests with the Certified Crew Leader/Employer.
- (b) Employee working in area not served by the Employer reports at area limits not earlier than 8:00 a.m. and ceases work at area limits not later than 5:00 p.m.

- N.B. Transportation is supplied within the City of Toronto to and from work, during such hours after Midnight as convenient public transportation is unavailable.

The above shall not apply to employees residing outside the boundaries of City of Toronto. These employees shall be paid travel time of one half (1/2) hour at double time when called out for immediate report and one half (1/2) hour to return home. Payment for returning home does not apply when the work terminates at normal stopping time.

#### Meal Allowance

Effective February 1, 2009 the meal allowance shall be \$15.00.

- 33.32 Meal allowance is provided as follows:

- (a) Employee continuing working past her/his regular stop time, circumstances permitting, shall eat her/his first meal at normal stop time and at intervals thereafter of four (4) hours. Meals shall be calculated from normal stop time. Employee must work two (2) hours past her/his last meal period to be paid for same.
- (b) Employee called back for emergency work three (3) hours or more and at intervals thereafter of not less than four (4) hours until released.

- (c) Employee working prearranged overtime on her/his off days more than eight (8) hours and at intervals thereafter of not less than four (4) hours until released.
- (d) There shall be no loss of time when meals provided above are taken. It is understood that responsibility for length of meal time rests with the Certified Crew Leader/Employer.

#### Mileage Allowance

- 33.33 The Employer shall provide employees who are authorized to use their own automobile on Employer's business up to \$300.00 per contract year to cover the difference in insurance premium cost between pleasure and business driving. Employees are required to maintain a minimum of \$1,000,000 Public Liability and Property Damage Coverage.

Employees shall be reimbursed **0.53** cents per kilometre for all kilometres travelled while on Employer's business. Conversion factor is 1 mile = 1.6 kilometres.

The rate paid per kilometre is related to changes in the Private Transportation Index (P.T.I.) component of the Consumer Price Index of Canada (1992 = 100) for Ontario. The P.T.I. base figure is 149.3 points (January 31, 2006) and for each 11.9 points increase an additional one (1) cent per kilometre shall be paid. The effective date for changes in rate paid will be the first of the month following the month in which the index is published.

#### Break Periods

- 33.34 Two fifteen (15) minutes break periods will be allowed all employees each regular working day. For shift employees whose normal work day is more than eight (8) hours an additional break period of fifteen (15) minutes will be allowed. These periods will be arranged in such a way as to prevent inconvenience to the customers or disruption of work.

#### Parking & Telephone Charges

- 33.35 The Employer shall refund the cost of public pay telephone calls while on Employer's business.

The Employer shall refund the cost of parking meter or parking lot charges incurred while travelling on Employer's business.

ARTICLE 34  
**TERM OF AGREEMENT**

- 34.01 This Agreement is effective from the first (1<sup>st</sup>) day of **February 2014**, to the thirty-first (31<sup>st</sup>) day of **January 2018**, and from year to year thereafter unless either party give notice in writing not more than ninety (90) days and not less than thirty (30) days prior to the expiration date of **January 31, 2018**.
- 34.02 Job classifications, wage rates, progressions and classification conditions for Outside employees are set forth in Schedule O, attached and form part of this Agreement.
- 34.03 Effective **February 1, 2014** there will be a general increase of **1.5%** on the rates in effect on **February 1, 2014**. Effective **February 1, 2015**, there will be a general wage increase of **1.75%** on the rates in effect on **January 31, 2015**. Effective **February 1, 2016**, there will be a general wage increase of **1.75%** on the rates in effect on **January 31, 2016**. Effective **February 1, 2017**, there will be a general wage increase of **2%** on the rates in effect on **January 31, 2017**. These adjustments to wages shall apply to all employees on the payroll in the bargaining unit **except students**.

COLA

The following Cost of Living Escalator paragraphs are operative for the **third** and **fourth** years of this Agreement. The following cost of living paragraphs will operate from **February 1, 2016, until January 31, 2018**.

The following Cost of Living Escalator clause shall be applicable to all employees covered by the Agreement and shall provide for an adjustment of wages upwards or downwards of 0.50% for each full 0.50% change in the Statistics Canada Consumer Price Index for Toronto (1992 = 100). The Index Figure published in **January 2016** is to be the base for calculating adjustments. This escalator clause will not be effective unless the Consumer Price Index for Toronto exceeds the wage adjustment for the **third** year, i.e. **1.75%** by 0.50%, at which time there will be a 0.50% general increase. This shall be made effective commencing the first payroll period following the publication date in the month in which the Consumer Price Index is published. Adjustments thereafter will be made in a similar manner every two (2) months. No adjustment upward or downward shall be made if the change in the Consumer Price Index for Toronto is less than 0.50%.

The index figure published in **January 2016** is to be the last index figure utilized for adjustment purposes under this second year Cost of Living Adjustment clause. No downward adjustment shall be made to reduce wages below the level paid in the first month of the second year of the Agreement because of changes in the Consumer Price Index for Toronto.

34.04

- (a) In the event that the Employer and the Union negotiate a Collective Agreement for a term of more than two years, the following Cost of Living escalator clause shall become part of such an Agreement and shall be applicable to all employees covered by that Agreement.
- (b) Such **four**-year contract includes an escalator clause in the **fourth** year of the Agreement which provides for an adjustment of wages upwards or downwards of 0.50% for each full 0.50% change in the Statistics Canada Consumer Price Index for Toronto (1992=100). The index figure published in January **2017** is to be the base for calculating adjustments.

This escalator clause will not be effective unless the Consumer Price Index for Toronto exceeds the wage adjustments for the **fourth** year, i.e. **2%** by 0.50%, at which time there will be a 0.50% general increase. This shall be made effective commencing the first payroll period following the publication date in the month in which the Consumer Price Index is published. Adjustments thereafter will be made in a similar manner every two (2) months. No adjustment upward or downward shall be made if the change in the Consumer Price Index for Toronto is less than 0.50%.

The index figure published in **January 2018** is to be the last index figure utilized for adjustment purposes under this clause. No downward adjustment shall be made to reduce wages below the level paid in the first month of the third year of such Agreement because of changes in the Consumer Price Index for Toronto during the life of this Agreement.

- 34.05 The wage and benefit provisions of this Agreement include any rebates payable to the employee under present OHIP legislation and Employment Insurance legislation.

#### Printing of the Agreement

- 34.06 Printing of this Agreement shall be in a union shop and is at Employer's expense and the Union is supplied in sufficient quantity for distribution to Union membership.

34.07 This Agreement is executed and delivered this 22<sup>nd</sup> day of May 2014.

Signed on behalf of the Toronto Hydro:

Original signed by:

Helia Ralph

Jim Trgachef

John Spina

Greg London

Meg Bolohan

Witness:

Signed on behalf of Local No. 1 Canadian Union of Public

Employees:

Original signed by:

John Camilleri

David Philpott

Roy Perl

Robert Handley

David Carrington

Peter Katsios

Witness:

## OPERATING PROCESS FOR SCHEDULE O

N.B. Where the term “classification seniority”, “progression”, “progression series” or “progression sequence” is used in this Collective Agreement it shall apply only to the following classifications for the purpose of Job Posting and Vacancy and Temporary Transfer:

Custodian A – from Custodian

Senior Service Representative – from Field Service Representative

Chargehand, Water Heater – from Assembler, Water Heater

Chargehand, Building Services – from Painter or Building Mechanic A

Senior Fleet Mechanic – from Fleet Mechanic

Lead Hand, Street Lights – from St. Lt. Line Service Technician

System Response Representative – from Certified Power Line Person

Parts & Inventory Clerk, Fleet – from Fleet Utility Hand

Progression into the above positions is on the basis of the occurrence of a vacancy, which will be determined at the discretion of the Employer.

### **Other – Progression for Electrical Trades (MEA)**

Certified Power Line Person

Certified Meter Mechanic/Tester

Power System Controller

Certified Power Cable Person

Distribution System Technologist

Progression to the above positions will be on the basis of established time frames, completion of necessary training and work tests. Initial entry into the above noted classifications will be on the basis of a job vacancy, which will be determined at the discretion of the Employer.

N.B. All other classifications listed in Schedule O will be posted.

This document shall form part of Schedule O.

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2014 to January 31, 2015)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Labourer*	\$ 26.22	\$ 28.12		\$ 30.03								
Custodian	\$ 26.22	\$ 28.35		\$ 30.43								
Linestaker Assistant*	\$ 26.22	\$ 28.62		\$ 31.00								
Utility Hand *	\$ 26.22	\$ 28.62		\$ 31.01								
Ground Person	\$ 26.22	\$ 29.09		\$ 31.95								
Driver*	\$ 26.22	\$ 29.17		\$ 32.10								
Assembler, Water Heater	\$ 26.22	\$ 29.17		\$ 32.10								
Night Patrol Person	\$ 26.22	\$ 29.17		\$ 32.10								
Plant Mechanic	\$ 26.22	\$ 28.12		\$ 31.15		\$ 35.98						
Custodian A	\$ 31.26	\$ 32.10										
Logistics Handler	\$ 27.72	\$ 29.54		\$ 33.26		\$ 36.94						
Meter Person	\$ 29.17	\$ 31.06		\$ 32.91								
Meter Reader	\$ 29.17	\$ 31.06		\$ 32.91								
Fleet Utility Hand	\$ 29.17	\$ 31.15		\$ 33.07								
Driver / Operator*	\$ 29.17	\$ 31.15		\$ 33.07								
Street Light Relamper	\$ 29.17	\$ 31.15		\$ 33.07								
Field Collector	\$ 31.15	\$ 32.37		\$ 33.59								
Pit Inspector	\$ 31.15	\$ 32.66		\$ 34.15								
Cable Installer*	\$ 31.15	\$ 32.66		\$ 34.15								
Meter Stock Hand	\$ 31.15	\$ 32.66		\$ 34.15								
Cement Finisher*	\$ 31.15	\$ 32.66		\$ 34.15								
Meter Reader A	\$ 31.15	\$ 32.37		\$ 33.59		\$ 34.84						
Office Clerk, Stores	\$ 31.15	\$ 32.37		\$ 33.59		\$ 34.84						
MCO/Heavy Equipment Operator	\$ 32.37	\$ 32.57		\$ 33.83		\$ 35.01						
St Lt Maintainer	\$ 32.37	\$ 32.57		\$ 33.83		\$ 35.01						
Material Handler*	\$ 32.66	\$ 33.59		\$ 34.57		\$ 35.53						
St Lt Line Service Technician	\$ 32.66	\$ 33.93		\$ 35.18		\$ 36.46						
Dispatcher, Locates	\$ 31.04	\$ 33.03		\$ 34.90		\$ 36.46						
Senior Material Handler*	\$ 35.99	\$ 36.46										
Charge Hand, Water Heater	\$ 33.26	\$ 34.40		\$ 35.51		\$ 36.64						
Charge Hand, Chamber Mtce.*	\$ 33.26	\$ 34.40		\$ 35.51		\$ 36.64						
Meter Installer	\$ 33.26	\$ 34.40		\$ 35.51		\$ 36.68						
Warehouse Dispatch Clerk*	\$ 27.72	\$ 29.54		\$ 33.26		\$ 36.94						
Linestaker*	\$ 34.38	\$ 35.62		\$ 36.86		\$ 38.12						
Transformer Maintainer*	\$ 34.38	\$ 35.62		\$ 36.86		\$ 38.18						
Parts & Inventory Clerk, Fleet	\$ 34.38	\$ 35.62		\$ 36.86		\$ 38.18						
Equipment Distribution Person*	\$ 34.38	\$ 35.62		\$ 36.86		\$ 38.18						
<b>Customer &amp; Power System Logistics Dispatcher</b>	<b>\$ 30.43</b>	<b>\$ 31.32</b>		<b>\$ 33.12</b>		<b>\$ 34.90</b>		<b>\$ 36.67</b>		<b>\$ 38.45</b>		
Trouble Dispatcher	\$ 30.43	\$ 31.32		\$ 33.12		\$ 34.90		\$ 36.67		\$ 38.45		
Field Inspector*	\$ 31.32	\$ 32.25		\$ 34.06		\$ 35.90		\$ 36.67		\$ 38.45		
Construction Inspector	\$ 31.32	\$ 32.30		\$ 34.30		\$ 36.30		\$ 38.29		\$ 41.12		
Senior Service Representative	\$ 31.32	\$ 32.30		\$ 34.30		\$ 36.30		\$ 38.29		\$ 41.12		
Lead Hand, Street Lights	\$ 37.44	\$ 38.44		\$ 39.47								
<b>Asset Attachment Inspector</b>	<b>\$ 29.93</b>	<b>\$ 31.96</b>		<b>\$ 35.93</b>		<b>\$ 39.95</b>						
Field Service Representative	\$ 29.93	\$ 31.96		\$ 35.93		\$ 39.95						

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2014 to January 31, 2015)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Fitter, Fleet	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Carpenter	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Welder	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Machinist	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Painter	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Forester	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Maintenance Electrician	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Plumber	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Cert Substation Electrician*	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Cert Meter Mechanic / Tester	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Power Cable Person*	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Jointer*	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Electrical Mechanic*	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Line Protection Technical Advisor	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Fleet Mechanic	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Building Mechanic A	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Building System Technician	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 41.80		
Certified Power Cable Person	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 42.09		
Certified Power Line Person	\$ 32.77	\$ 33.77		\$ 35.79		\$ 37.78		\$ 39.79		\$ 42.09		
Charge Hand, Bldg Services	\$ 39.15	\$ 40.20		\$ 41.24		\$ 42.30						
Charge Hand, Construction*	\$ 35.83	\$ 37.54		\$ 39.19		\$ 40.86						
Charge Hand, Cable*	\$ 35.83	\$ 37.54		\$ 39.19		\$ 40.86						
Charge Hand, Pole Installation	\$ 35.83	\$ 37.54		\$ 39.19		\$ 40.86						
Station Response Rep*	\$ 43.82											
System Response Rep	\$ 43.82											
Building Maintainer AA	\$ 42.76	NOTE: 35 hour work week										
Senior Fleet Mechanic	\$ 42.75		\$ 44.17		\$ 44.71							
Substation Technician*	\$ 32.77	\$ 34.26		\$ 37.29		\$ 40.31		\$ 43.32		\$ 46.32		
Crew Leader, Cable*	\$ 44.93	\$ 46.04		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Construction*	\$ 44.93	\$ 46.04		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Pit Inspection*	\$ 44.93	\$ 46.04		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Maintenance*	\$ 44.93	\$ 46.04		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Plant Mechanic	\$ 44.93	\$ 46.04		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Line	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Power Cable*	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Elec Mechanic*	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Jointer*	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Stations*	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Meter	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Bldg Services	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Machine Shop	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Substn Tech*	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Power Cable Person	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Line Protection	\$ 46.34	\$ 47.47		NOTE: Rate increase based on 600 hours performing the job								

\* See Outside Classification Schedule Job Harmonization



**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2014 to January 31, 2015)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Field Project Facilitator	\$ 46.34	\$ 47.47										
Metering Technician	\$ 35.76	\$ 36.95		\$ 39.42		\$ 41.81		\$ 44.24		\$ 46.70		
Infrastructure Occupancy Rep	\$ 35.76	\$ 36.95		\$ 39.42		\$ 41.81		\$ 44.24		\$ 46.70		
P&C Technician*	\$ 32.62	\$ 34.26		\$ 37.61		\$ 40.98		\$ 44.25		\$ 47.61		
Power System Scheduler	\$ 32.62	\$ 34.26		\$ 37.61		\$ 40.98		\$ 44.25		\$ 47.61		
<b>Meter Data Technologist</b>	<b>\$ 32.62</b>	<b>\$ 34.26</b>		<b>\$ 37.61</b>		<b>\$ 40.98</b>		<b>\$ 44.25</b>		<b>\$ 47.61</b>		
Distribution System Technologist	\$ 35.47	\$ 37.10		\$ 38.86		\$ 40.63		\$ 42.38		\$ 45.27	\$ 48.17	\$ 50.48
Power System Controller	\$ 41.81	\$ 42.92		\$ 45.15		\$ 47.37		\$ 49.61		\$ 51.88		

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2014 to January 31, 2015)**

Students - Clerical		35 Hrs		\$20.18	
Students - Field		40 Hrs		\$18.51	
Students - Technical		40 Hrs		\$18.51	
Students - Sr. Technical		40 Hrs		\$21.40	

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2015 to January 31, 2016)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Labourer*	\$ 26.68	\$ 28.61		\$ 30.56								
Custodian	\$ 26.68	\$ 28.85		\$ 30.96								
Linestaker Assistant*	\$ 26.68	\$ 29.12		\$ 31.54								
Utility Hand *	\$ 26.68	\$ 29.12		\$ 31.55								
Ground Person	\$ 26.68	\$ 29.60		\$ 32.51								
Driver*	\$ 26.68	\$ 29.68		\$ 32.66								
Assembler, Water Heater	\$ 26.68	\$ 29.68		\$ 32.66								
Night Patrol Person	\$ 26.68	\$ 29.68		\$ 32.66								
Plant Mechanic	\$ 26.68	\$ 28.61		\$ 31.70		\$ 36.61						
Custodian A	\$ 31.81	\$ 32.66										
Logistics Handler	\$ 28.21	\$ 30.06		\$ 33.84		\$ 37.59						
Meter Person	\$ 29.68	\$ 31.60		\$ 33.49								
Meter Reader	\$ 29.68	\$ 31.60		\$ 33.49								
Fleet Utility Hand	\$ 29.68	\$ 31.70		\$ 33.65								
Driver / Operator*	\$ 29.68	\$ 31.70		\$ 33.65								
Street Light Relamper	\$ 29.68	\$ 31.70		\$ 33.65								
Field Collector	\$ 31.70	\$ 32.94		\$ 34.18								
Pit Inspector	\$ 31.70	\$ 33.23		\$ 34.75								
Cable Installer*	\$ 31.70	\$ 33.23		\$ 34.75								
Meter Stock Hand	\$ 31.70	\$ 33.23		\$ 34.75								
Cement Finisher*	\$ 31.70	\$ 33.23		\$ 34.75								
Meter Reader A	\$ 31.70	\$ 32.94		\$ 34.18		\$ 35.45						
Office Clerk, Stores	\$ 31.70	\$ 32.94		\$ 34.18		\$ 35.45						
MCO/Heavy Equipment Operator	\$ 32.94	\$ 33.14		\$ 34.42		\$ 35.62						
St Lt Maintainer	\$ 32.94	\$ 33.14		\$ 34.42		\$ 35.62						
Material Handler*	\$ 33.23	\$ 34.18		\$ 35.17		\$ 36.15						
St Lt Line Service Technician	\$ 33.23	\$ 34.52		\$ 35.80		\$ 37.10						
Dispatcher, Locates	\$ 31.58	\$ 33.61		\$ 35.51		\$ 37.10						
Senior Material Handler*	\$ 36.62	\$ 37.10										
Charge Hand, Water Heater	\$ 33.84	\$ 35.00		\$ 36.13		\$ 37.28						
Charge Hand, Chamber Mtce.*	\$ 33.84	\$ 35.00		\$ 36.13		\$ 37.28						
Meter Installer	\$ 33.84	\$ 35.00		\$ 36.13		\$ 37.32						
Warehouse Dispatch Clerk*	\$ 28.21	\$ 30.06		\$ 33.84		\$ 37.59						
Linestaker*	\$ 34.98	\$ 36.24		\$ 37.51		\$ 38.79						
Transformer Maintainer*	\$ 34.98	\$ 36.24		\$ 37.51		\$ 38.85						
Parts & Inventory Clerk, Fleet	\$ 34.98	\$ 36.24		\$ 37.51		\$ 38.85						
Equipment Distribution Person*	\$ 34.98	\$ 36.24		\$ 37.51		\$ 38.85						
<b>Customer &amp; Power System Logisitics Dispatcher</b>	<b>\$ 30.96</b>	<b>\$ 31.87</b>		<b>\$ 33.70</b>		<b>\$ 35.51</b>		<b>\$ 37.31</b>		<b>\$ 39.12</b>		
Trouble Dispatcher	\$ 30.96	\$ 31.87		\$ 33.70		\$ 35.51		\$ 37.31		\$ 39.12		
Field Inspector*	\$ 31.87	\$ 32.81		\$ 34.66		\$ 36.53		\$ 37.31		\$ 39.12		
Construction Inspector	\$ 31.87	\$ 32.87		\$ 34.90		\$ 36.94		\$ 38.96		\$ 41.84		
Senior Service Representative	\$ 31.87	\$ 32.87		\$ 34.90		\$ 36.94		\$ 38.96		\$ 41.84		
Lead Hand, Street Lights	\$ 38.10	\$ 39.11		\$ 40.16								
<b>Asset Attachment Inspector</b>	<b>\$ 30.45</b>	<b>\$ 32.52</b>		<b>\$ 36.56</b>		<b>\$ 40.65</b>						
Field Service Representative	\$ 30.45	\$ 32.52		\$ 36.56		\$ 40.65						

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2015 to January 31, 2016)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Fitter, Fleet	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Carpenter	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Welder	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Machinist	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Painter	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Forester	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Maintenance Electrician	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Plumber	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Cert Substation Electrician*	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Cert Meter Mechanic / Tester	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Power Cable Person*	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Jointer*	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Electrical Mechanic*	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Line Protection Technical Advisor	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Fleet Mechanic	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Building Mechanic A	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Building System Technician	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.53		
Certified Power Cable Person	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.83		
Certified Power Line Person	\$ 33.34	\$ 34.36		\$ 36.42		\$ 38.44		\$ 40.49		\$ 42.83		
Charge Hand, Bldg Services	\$ 39.84	\$ 40.90		\$ 41.96		\$ 43.04						
Charge Hand, Construction*	\$ 36.46	\$ 38.20		\$ 39.88		\$ 41.58						
Charge Hand, Cable*	\$ 36.46	\$ 38.20		\$ 39.88		\$ 41.58						
Charge Hand, Pole Installation	\$ 36.46	\$ 38.20		\$ 39.88		\$ 41.58						
Station Response Rep*	\$ 44.59											
System Response Rep	\$ 44.59											
Building Maintainer AA	\$ 43.51	NOTE: 35 hour work week										
Senior Fleet Mechanic	\$ 43.50		\$ 44.94		\$ 45.49							
Substation Technician*	\$ 33.34	\$ 34.86		\$ 37.94		\$ 41.02		\$ 44.08		\$ 47.13		
Crew Leader, Cable*	\$ 45.72	\$ 46.85		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Construction*	\$ 45.72	\$ 46.85		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Pit Inspection*	\$ 45.72	\$ 46.85		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Maintenance*	\$ 45.72	\$ 46.85		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Plant Mechanic	\$ 45.72	\$ 46.85		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Line	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Power Cable*	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Elec Mechanic*	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Jointer*	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Stations*	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Meter	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Bldg Services	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Machine Shop	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Substn Tech*	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Power Cable Person	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Line Protection	\$ 47.15	\$ 48.30		NOTE: Rate increase based on 600 hours performing the job								

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2015 to January 31, 2016)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Field Project Facilitator	\$ 47.15	\$ 48.30										
Metering Technician	\$ 36.39	\$ 37.60		\$ 40.11		\$ 42.54		\$ 45.01		\$ 47.52		
Infrastructure Occupancy Rep	\$ 36.39	\$ 37.60		\$ 40.11		\$ 42.54		\$ 45.01		\$ 47.52		
P&C Technician*	\$ 33.19	\$ 34.86		\$ 38.27		\$ 41.70		\$ 45.02		\$ 48.44		
Power System Scheduler	\$ 33.19	\$ 34.86		\$ 38.27		\$ 41.70		\$ 45.02		\$ 48.44		
<b>Meter Data Technologist</b>	<b>\$ 33.19</b>	<b>\$ 34.86</b>		<b>\$ 38.27</b>		<b>\$ 41.70</b>		<b>\$ 45.02</b>		<b>\$ 48.44</b>		
Distribution System Technologist	\$ 36.09	\$ 37.75		\$ 39.54		\$ 41.34		\$ 43.12		\$ 46.06	\$ 49.01	\$ 51.36
Power System Controller	\$ 42.54	\$ 43.67		\$ 45.94		\$ 48.20		\$ 50.48		\$ 52.79		

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2015 to January 31, 2016)**

Students - Clerical		35 Hrs		\$20.18	
Students - Field		40 Hrs		\$18.51	
Students - Technical		40 Hrs		\$18.51	
Students - Sr. Technical		40 Hrs		\$21.40	

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2016 to January 31, 2017)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Labourer*	\$ 27.15	\$ 29.11		\$ 31.09								
Custodian	\$ 27.15	\$ 29.35		\$ 31.50								
Linestaker Assistant*	\$ 27.15	\$ 29.63		\$ 32.09								
Utility Hand *	\$ 27.15	\$ 29.63		\$ 32.10								
Ground Person	\$ 27.15	\$ 30.12		\$ 33.08								
Driver*	\$ 27.15	\$ 30.20		\$ 33.23								
Assembler, Water Heater	\$ 27.15	\$ 30.20		\$ 33.23								
Night Patrol Person	\$ 27.15	\$ 30.20		\$ 33.23								
Plant Mechanic	\$ 27.15	\$ 29.11		\$ 32.25		\$ 37.25						
Custodian A	\$ 32.37	\$ 33.23										
Logistics Handler	\$ 28.70	\$ 30.59		\$ 34.43		\$ 38.25						
Meter Person	\$ 30.20	\$ 32.15		\$ 34.08								
Meter Reader	\$ 30.20	\$ 32.15		\$ 34.08								
Fleet Utility Hand	\$ 30.20	\$ 32.25		\$ 34.24								
Driver / Operator*	\$ 30.20	\$ 32.25		\$ 34.24								
Street Light Relamper	\$ 30.20	\$ 32.25		\$ 34.24								
Field Collector	\$ 32.25	\$ 33.52		\$ 34.78								
Pit Inspector	\$ 32.25	\$ 33.81		\$ 35.36								
Cable Installer*	\$ 32.25	\$ 33.81		\$ 35.36								
Meter Stock Hand	\$ 32.25	\$ 33.81		\$ 35.36								
Cement Finisher*	\$ 32.25	\$ 33.81		\$ 35.36								
Meter Reader A	\$ 32.25	\$ 33.52		\$ 34.78		\$ 36.07						
Office Clerk, Stores	\$ 32.25	\$ 33.52		\$ 34.78		\$ 36.07						
MCO/Heavy Equipment Operator	\$ 33.52	\$ 33.72		\$ 35.02		\$ 36.24						
St Lt Maintainer	\$ 33.52	\$ 33.72		\$ 35.02		\$ 36.24						
Material Handler*	\$ 33.81	\$ 34.78		\$ 35.79		\$ 36.78						
St Lt Line Service Technician	\$ 33.81	\$ 35.12		\$ 36.43		\$ 37.75						
Dispatcher, Locates	\$ 32.13	\$ 34.20		\$ 36.13		\$ 37.75						
Senior Material Handler*	\$ 37.26	\$ 37.75										
Charge Hand, Water Heater	\$ 34.43	\$ 35.61		\$ 36.76		\$ 37.93						
Charge Hand, Chamber Mtce.*	\$ 34.43	\$ 35.61		\$ 36.76		\$ 37.93						
Meter Installer	\$ 34.43	\$ 35.61		\$ 36.76		\$ 37.97						
Warehouse Dispatch Clerk*	\$ 28.70	\$ 30.59		\$ 34.43		\$ 38.25						
Linestaker*	\$ 35.59	\$ 36.87		\$ 38.17		\$ 39.47						
Transformer Maintainer*	\$ 35.59	\$ 36.87		\$ 38.17		\$ 39.53						
Parts & Inventory Clerk, Fleet	\$ 35.59	\$ 36.87		\$ 38.17		\$ 39.53						
Equipment Distribution Person*	\$ 35.59	\$ 36.87		\$ 38.17		\$ 39.53						
<b>Customer &amp; Power System Logisitics Dispatcher</b>	<b>\$ 31.50</b>	<b>\$ 32.43</b>		<b>\$ 34.29</b>		<b>\$ 36.13</b>		<b>\$ 37.96</b>		<b>\$ 39.80</b>		
Trouble Dispatcher	\$ 31.50	\$ 32.43		\$ 34.29		\$ 36.13		\$ 37.96		\$ 39.80		
Field Inspector*	\$ 32.43	\$ 33.38		\$ 35.27		\$ 37.17		\$ 37.96		\$ 39.80		
Construction Inspector	\$ 32.43	\$ 33.45		\$ 35.51		\$ 37.59		\$ 39.64		\$ 42.57		
Senior Service Representative	\$ 32.43	\$ 33.45		\$ 35.51		\$ 37.59		\$ 39.64		\$ 42.57		
Lead Hand, Street Lights	\$ 38.77	\$ 39.79		\$ 40.86								
<b>Asset Attachment Inspector</b>	<b>\$ 30.98</b>	<b>\$ 33.09</b>		<b>\$ 37.20</b>		<b>\$ 41.36</b>						
Field Service Representative	\$ 30.98	\$ 33.09		\$ 37.20		\$ 41.36						

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2016 to January 31, 2017)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Fitter, Fleet	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Carpenter	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Welder	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Machinist	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Painter	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Forester	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Maintenance Electrician	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Plumber	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Cert Substation Electrician*	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Cert Meter Mechanic / Tester	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Power Cable Person*	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Jointer*	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Electrical Mechanic*	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Line Protection Technical Advisor	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Fleet Mechanic	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Building Mechanic A	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Building System Technician	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.27		
Certified Power Cable Person	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.58		
Certified Power Line Person	\$ 33.92	\$ 34.96		\$ 37.06		\$ 39.11		\$ 41.20		\$ 43.58		
Charge Hand, Bldg Services	\$ 40.54	\$ 41.62		\$ 42.69		\$ 43.79						
Charge Hand, Construction*	\$ 37.10	\$ 38.87		\$ 40.58		\$ 42.31						
Charge Hand, Cable*	\$ 37.10	\$ 38.87		\$ 40.58		\$ 42.31						
Charge Hand, Pole Installation	\$ 37.10	\$ 38.87		\$ 40.58		\$ 42.31						
Station Response Rep*	\$ 45.37											
System Response Rep	\$ 45.37											
Building Maintainer AA	\$ 44.27	NOTE: 35 hour work week										
Senior Fleet Mechanic	\$ 44.26		\$ 45.73		\$ 46.29							
Substation Technician*	\$ 33.92	\$ 35.47		\$ 38.60		\$ 41.74		\$ 44.85		\$ 47.95		
Crew Leader, Cable*	\$ 46.52	\$ 47.67		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Construction*	\$ 46.52	\$ 47.67		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Pit Inspection*	\$ 46.52	\$ 47.67		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Maintenance*	\$ 46.52	\$ 47.67		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Plant Mechanic	\$ 46.52	\$ 47.67		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Line	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Power Cable*	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Elec Mechanic*	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Jointer*	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Stations*	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Meter	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Bldg Services	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Machine Shop	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Substn Tech*	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Power Cable Person	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Line Protection	\$ 47.98	\$ 49.15		NOTE: Rate increase based on 600 hours performing the job								

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2016 to January 31, 2017)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Field Project Facilitator	\$ 47.98	\$ 49.15										
Metering Technician	\$ 37.03	\$ 38.26		\$ 40.81		\$ 43.28		\$ 45.80		\$ 48.35		
Infrastructure Occupancy Rep	\$ 37.03	\$ 38.26		\$ 40.81		\$ 43.28		\$ 45.80		\$ 48.35		
P&C Technician*	\$ 33.77	\$ 35.47		\$ 38.94		\$ 42.43		\$ 45.81		\$ 49.29		
Power System Scheduler	\$ 33.77	\$ 35.47		\$ 38.94		\$ 42.43		\$ 45.81		\$ 49.29		
<b>Meter Data Technologist</b>	<b>\$ 33.77</b>	<b>\$ 35.47</b>		<b>\$ 38.94</b>		<b>\$ 42.43</b>		<b>\$ 45.81</b>		<b>\$ 49.29</b>		
Distribution System Technologist	\$ 36.72	\$ 38.41		\$ 40.23		\$ 42.06		\$ 43.87		\$ 46.87	\$ 49.87	\$ 52.26
Power System Controller	\$ 43.28	\$ 44.43		\$ 46.74		\$ 49.04		\$ 51.36		\$ 53.71		

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2016 to January 31, 2017)**

Students - Clerical		35 Hrs		\$20.18	
Students - Field		40 Hrs		\$18.51	
Students - Technical		40 Hrs		\$18.51	
Students - Sr. Technical		40 Hrs		\$21.40	

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2017 to January 31, 2018)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Labourer*	\$ 27.69	\$ 29.69		\$ 31.71								
Custodian	\$ 27.69	\$ 29.94		\$ 32.13								
Linestaker Assistant*	\$ 27.69	\$ 30.22		\$ 32.73								
Utility Hand *	\$ 27.69	\$ 30.22		\$ 32.74								
Ground Person	\$ 27.69	\$ 30.72		\$ 33.74								
Driver*	\$ 27.69	\$ 30.80		\$ 33.89								
Assembler, Water Heater	\$ 27.69	\$ 30.80		\$ 33.89								
Night Patrol Person	\$ 27.69	\$ 30.80		\$ 33.89								
Plant Mechanic	\$ 27.69	\$ 29.69		\$ 32.90		\$ 38.00						
Custodian A	\$ 33.02	\$ 33.89										
Logistics Handler	\$ 29.27	\$ 31.20		\$ 35.12		\$ 39.02						
Meter Person	\$ 30.80	\$ 32.79		\$ 34.76								
Meter Reader	\$ 30.80	\$ 32.79		\$ 34.76								
Fleet Utility Hand	\$ 30.80	\$ 32.90		\$ 34.92								
Driver / Operator*	\$ 30.80	\$ 32.90		\$ 34.92								
Street Light Relamper	\$ 30.80	\$ 32.90		\$ 34.92								
Field Collector	\$ 32.90	\$ 34.19		\$ 35.48								
Pit Inspector	\$ 32.90	\$ 34.49		\$ 36.07								
Cable Installer*	\$ 32.90	\$ 34.49		\$ 36.07								
Meter Stock Hand	\$ 32.90	\$ 34.49		\$ 36.07								
Cement Finisher*	\$ 32.90	\$ 34.49		\$ 36.07								
Meter Reader A	\$ 32.90	\$ 34.19		\$ 35.48		\$ 36.79						
Office Clerk, Stores	\$ 32.90	\$ 34.19		\$ 35.48		\$ 36.79						
MCO/Heavy Equipment Operator	\$ 34.19	\$ 34.39		\$ 35.72		\$ 36.96						
St Lt Maintainer	\$ 34.19	\$ 34.39		\$ 35.72		\$ 36.96						
Material Handler*	\$ 34.49	\$ 35.48		\$ 36.51		\$ 37.52						
St Lt Line Service Technician	\$ 34.49	\$ 35.82		\$ 37.16		\$ 38.51						
Dispatcher, Locates	\$ 32.77	\$ 34.88		\$ 36.85		\$ 38.51						
Senior Material Handler*	\$ 38.01	\$ 38.51										
Charge Hand, Water Heater	\$ 35.12	\$ 36.32		\$ 37.50		\$ 38.69						
Charge Hand, Chamber Mtce.*	\$ 35.12	\$ 36.32		\$ 37.50		\$ 38.69						
Meter Installer	\$ 35.12	\$ 36.32		\$ 37.50		\$ 38.73						
Warehouse Dispatch Clerk*	\$ 29.27	\$ 31.20		\$ 35.12		\$ 39.02						
Linestaker*	\$ 36.30	\$ 37.61		\$ 38.93		\$ 40.26						
Transformer Maintainer*	\$ 36.30	\$ 37.61		\$ 38.93		\$ 40.32						
Parts & Inventory Clerk, Fleet	\$ 36.30	\$ 37.61		\$ 38.93		\$ 40.32						
Equipment Distribution Person*	\$ 36.30	\$ 37.61		\$ 38.93		\$ 40.32						
<b>Customer &amp; Power System Logisitics Dispatcher</b>	<b>\$ 32.13</b>	<b>\$ 33.08</b>		<b>\$ 34.98</b>		<b>\$ 36.85</b>		<b>\$ 38.72</b>		<b>\$ 40.60</b>		
Trouble Dispatcher	\$ 32.13	\$ 33.08		\$ 34.98		\$ 36.85		\$ 38.72		\$ 40.60		
Field Inspector*	\$ 33.08	\$ 34.05		\$ 35.98		\$ 37.91		\$ 38.72		\$ 40.60		
Construction Inspector	\$ 33.08	\$ 34.12		\$ 36.22		\$ 38.34		\$ 40.43		\$ 43.42		
Senior Service Representative	\$ 33.08	\$ 34.12		\$ 36.22		\$ 38.34		\$ 40.43		\$ 43.42		
Lead Hand, Street Lights	\$ 39.55	\$ 40.59		\$ 41.68								
<b>Asset Attachment Inspector</b>	<b>\$ 31.60</b>	<b>\$ 33.75</b>		<b>\$ 37.94</b>		<b>\$ 42.19</b>						
Field Service Representative	\$ 31.60	\$ 33.75		\$ 37.94		\$ 42.19						

\* See Outside Classification Schedule Job Harmonization



**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2017 to January 31, 2018)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Fitter, Fleet	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Carpenter	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Welder	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Machinist	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Painter	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Forester	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Maintenance Electrician	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Plumber	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Cert Substation Electrician*	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Cert Meter Mechanic / Tester	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Power Cable Person*	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Jointer*	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Electrical Mechanic*	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Line Protection Technical Advisor	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Fleet Mechanic	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Building Mechanic A	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Building System Technician	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.14		
Certified Power Cable Person	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.45		
Certified Power Line Person	\$ 34.60	\$ 35.66		\$ 37.80		\$ 39.89		\$ 42.02		\$ 44.45		
Charge Hand, Bldg Services	\$ 41.35	\$ 42.45		\$ 43.54		\$ 44.67						
Charge Hand, Construction*	\$ 37.84	\$ 39.65		\$ 41.39		\$ 43.16						
Charge Hand, Cable*	\$ 37.84	\$ 39.65		\$ 41.39		\$ 43.16						
Charge Hand, Pole Installation	\$ 37.84	\$ 39.65		\$ 41.39		\$ 43.16						
Station Response Rep*	\$ 46.28											
System Response Rep	\$ 46.28											
Building Maintainer AA	\$ 45.16	NOTE: 35 hour work week										
Senior Fleet Mechanic	\$ 45.15		\$ 46.64		\$ 47.22							
Substation Technician*	\$ 34.60	\$ 36.18		\$ 39.37		\$ 42.57		\$ 45.75		\$ 48.91		
Crew Leader, Cable*	\$ 47.45	\$ 48.62		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Construction*	\$ 47.45	\$ 48.62		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Pit Inspection*	\$ 47.45	\$ 48.62		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Maintenance*	\$ 47.45	\$ 48.62		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Plant Mechanic	\$ 47.45	\$ 48.62		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Line	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Power Cable*	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Elec Mechanic*	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Jointer*	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Stations*	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Meter	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Bldg Services	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Machine Shop	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Substn Tech*	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Cert Crew Leader, Power Cable Person	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								
Crew Leader, Line Protection	\$ 48.94	\$ 50.13		NOTE: Rate increase based on 600 hours performing the job								

\* See Outside Classification Schedule Job Harmonization

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2017 to January 31, 2018)**

Classification	Start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	48 Mo	54 Mo	66 Mo	78 Mo
Field Project Facilitator	\$ 48.94	\$ 50.13										
Metering Technician	\$ 37.77	\$ 39.03		\$ 41.63		\$ 44.15		\$ 46.72		\$ 49.32		
Infrastructure Occupancy Rep	\$ 37.77	\$ 39.03		\$ 41.63		\$ 44.15		\$ 46.72		\$ 49.32		
P&C Technician*	\$ 34.45	\$ 36.18		\$ 39.72		\$ 43.28		\$ 46.73		\$ 50.28		
Power System Scheduler	\$ 34.45	\$ 36.18		\$ 39.72		\$ 43.28		\$ 46.73		\$ 50.28		
<b>Meter Data Technologist</b>	<b>\$ 34.45</b>	<b>\$ 36.18</b>		<b>\$ 39.72</b>		<b>\$ 43.28</b>		<b>\$ 46.73</b>		<b>\$ 50.28</b>		
Distribution System Technologist	\$ 37.46	\$ 39.18		\$ 41.04		\$ 42.90		\$ 44.75		\$ 47.80	\$ 50.87	\$ 53.30
Power System Controller	\$ 44.15	\$ 45.32		\$ 47.67		\$ 50.02		\$ 52.39		\$ 54.78		

**Schedule O**  
**Job Classifications and Wage Rates**  
**(Effective February 1, 2017 to January 31, 2018)**

Students - Clerical		35 Hrs		\$20.18	
Students - Field		40 Hrs		\$18.51	
Students - Technical		40 Hrs		\$18.51	
Students - Sr. Technical		40 Hrs		\$21.40	

\* See Outside Classification Schedule Job Harmonization

## LETTER OF INTENT #1

TORONTO HYDRO

December 17, 2002

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Resource Balancing

This will confirm our discussions during negotiations that in order to minimize disruption to employees and operations resulting from employee surplus, the parties have agreed to a Resource Balancing process as set out below.

The Employer and the Union will mutually agree before utilizing the Resource Balancing process.

When the Employer determines that there is a surplus of employees, due to shortage of work, the Employer will provide notice to the Union under Retrogression Article 31.01.

The Employer will, during the two (2) month notice period, review the status of vacancies in the organization to determine if there is an opportunity to match the surplus employees with vacancies and proceed to fill those vacancies during the notice period.

Surplus employees will, on the basis of seniority and on a voluntary basis, be offered the opportunity to fill any vacancy for which they are qualified. The requirement to post notice of such vacancy under Article 10.01 (d) is waived during the Resource Balancing process. Employee shall receive an increase as follows:

- (a) If the present rate is below minimum rate of new classification, s/he shall receive minimum rate of new classification; new anniversary date.
- (b) If present rate is within the wage range of new classification, s/he shall be paid at the next step in the new classification which is closest to their existing rate of pay, providing the maximum rate of the new classification is sufficiently higher to permit it; new anniversary date.

- (c) Notwithstanding the above, no employee may receive the maximum rate of a position until s/he has been performing satisfactorily in the position for six (6) months.

Surplus employees not placed under the Resource Balancing process will be covered by Retrogression under Article 31 of their respective Collective Agreement.

This letter will expire at the end of the term of the Collective Agreement unless renewed.

Yours truly,

David Scott,  
Vice-President, Human Resources

## **LETTER OF INTENT #2**

TORONTO HYDRO

March 11, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Benefit Plans of Existing Retirees

Existing retirees will retain their current benefit coverage according to their previous utility.

Yours truly,

David Scott,  
Vice-President, Human Resources

## LETTER OF INTENT #3

TORONTO HYDRO

December 19, 2008

Mr. Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo:

Re: Compressed Work Week

This will confirm our agreement at negotiations regarding a Compressed Work Week in the Outside Collective Agreement that will improve operational efficiency, productivity and customer service.

The Compressed Work Week shall be established as follows:

- a Department may identify projects or activities to be scheduled on a compressed work week;
- a meeting with the volunteer employees will be held for the purposes of discussing the number of employees needed, the length of the projects or activities, and the project plan expectations;
- continuation of the Compressed Work Week is contingent on achieving favourable results against the project plan expectations;
- adequate coverage must be provided during a compressed work week;
- the compressed work week will generally be for the period from May to September, or longer if daylight is not a factor;
- there shall be no compressed work week in areas where road restrictions exist;
- employees may volunteer to be considered to work a compressed work week;
- employees shall have the right to refuse to participate in a compressed work week;
- assignment to the compressed work week will be at the discretion of the Employer, and will be provided as equitably as practicable;
- a compressed work week will not commence without four (4) weeks' notice, unless both parties agree otherwise;

- the work week shall be four (4) consecutive days, between Monday and Friday, with a start time no earlier than 6:30 a.m. and a stop time no later than 6:30 p.m. Time worked outside of the prearranged compressed work week period shall be paid in accordance with Article 33.
- Article 33.01 shall not apply to employees while working a compressed work week. Forty (40) hour week employees shall have a one-half (1/2) hour paid lunch in accordance with Article 33.01;
- There shall be no Compressed Work Week schedule should a Public Holiday occur in that week.

Sincerely,

Ave Lethbridge, Vice-President  
Organizational Effectiveness,  
Environment, Health and Safety

## **LETTER OF INTENT #4**

TORONTO HYDRO

June 17, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

As a result of harmonization which Arbitrator Adams has ruled to have occurred in contrast to multi-skilling, employees will be required to perform new job duties or acquire new qualifications which relate to their positions. Employees who are unable, after adequate training or orientation, as the case may be, to perform such duties or acquire such new qualifications will be reasonably accommodated by the Employer by remaining in their previous job classifications and previous wage rate (and will receive all future general increases) provided the employee has engaged in all reasonable efforts to assume the new duties or acquire the new qualifications.

This understanding needs to be renewed at the expiration of the current Collective Agreement otherwise it expires.

Yours truly,

David Scott,  
Vice-President, Human Resources



## LETTER OF INTENT #5

TORONTO HYDRO

April 1989

Mr. R. Fairley, President,  
C.U.P.E. Local #1,  
890 Yonge Street,  
Suite 603,  
Toronto, Ontario.  
M4W 3P4.

Dear Mr. Fairley:

Re: Status of Incoming Tradespeople

This will confirm our agreement at negotiations regarding incoming tradespeople.

When a person is hired and enters a progression series at other than the entry level, the following shall apply:

Employees with seniority in the progression series shall become senior to the person entering the series upon achieving the same classification in the series as the person who came in at other than entry level. The Employer may, in the case of new employees, at the time of their hiring, credit the new employee with vacation and/or sick pay credits in recognition of the employee's previous service at the Employer's discretion.

Signed on behalf of the -

TORONTO ELECTRIC COMMISSION

on the 12th day of April 1989.

(original signed by: A. F. Thompson)

Being the authorized representative of the Union.

Signed on behalf of -

LOCAL NO. 1 CANADIAN UNION OF  
PUBLIC EMPLOYEES

on the 12th day of April 1989.

(original signed by: Robert Fairley)

## LETTER OF INTENT #6

TORONTO HYDRO

December 21, 2008

Mr. Victor Demelo  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo:

Re: Meal Allowance

Employees from the former North York and Etobicoke will receive a meal allowance of:

- \$15.00 effective February 1, 2009

for eating at the job site under the terms of the former relevant Letters of Intent and will continue to receive such benefit for the term of this Agreement provided they are not receiving a half (1/2) hour paid lunch as per the terms of the new Collective Agreement.

Yours truly,

Ave Lethbridge, Vice-President  
Organizational Effectiveness,  
Environment, Health and Safety

## **LETTER OF INTENT #7**

TORONTO HYDRO

November 4, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Payment for Relief and Promotion within a Progression

This will confirm our agreement to pay relief rates and transfer rates on permanent promotion within a progression as follows:

Employees performing relief or transferred on a permanent basis due to promotion to a classification with a higher maximum rate of pay within a progression will be paid the next highest rate above their current rate in the classification. The attached schedule sets out the rates paid and forms part of the Letter of Intent.

For greater clarity the Classifications which are in progressions are attached to this letter titled as Operating Process for Schedule O.

Yours truly,

David Scott,  
Vice- President, Human Resources

**Payment for Relief and Promotion within a Progression  
Progression Series - February 1, 2014**

	start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo	start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	54 Mo
	Custodian (no previous progression)						Custodian A								
L.O.I. (Feb 1, 2014)	\$26.22	\$28.35	\$30.43				\$31.26	\$32.10							
	Assembler, Water Heater						Charge Hand, Water Heater								
L.O.I. (Feb 1, 2014)	\$26.22	\$29.17	\$32.10				\$33.26	\$34.40		\$35.51		\$36.64			
	Fleet Utility Hand						Parts & Inventory Clerk, Fleet								
L.O.I. (Feb 1, 2014)	\$29.17	\$31.14	\$33.07				\$34.38	\$35.62		\$36.86		\$38.18			
	Field Service Representative (no previous progression)						Senior Service Representative								
L.O.I. (Feb 1, 2014)	\$29.93	\$31.96	\$35.93	\$39.95			\$31.32	\$32.30		\$34.30		\$36.30		\$38.29	\$41.12
	Building Mechanic A						Charge Hand, Bldg Services								
L.O.I. (Feb 1, 2014)	\$32.77	\$33.77	\$35.79	\$37.78	\$39.79	\$41.80	\$39.15	\$40.20		\$41.24		\$42.30			
	Painter														
L.O.I. (Feb 1, 2014)	\$32.77	\$33.77	\$35.79	\$37.78	\$39.79	\$41.80									
	Cert Power Line Person						System Response Rep								
L.O.I. (Feb 1, 2014)	\$32.77	\$33.77	\$35.79	\$37.78	\$39.79	\$41.80	43.82								
	Fleet Mechanic (no previous progression)						Senior Fleet Mechanic								
L.O.I. (Feb 1, 2014)	\$32.77	\$33.77	\$35.79	\$37.78	\$39.79	\$41.80	\$42.75		\$44.17		\$44.71				
	St. Lt Line Service Technician						Lead Hand, Street Lights								
L.O.I. (Feb 1, 2014)	\$32.66	\$33.93	\$35.18	\$36.46			\$37.44	\$38.44		\$39.47					

**Payment for Relief and Promotion within a Progression  
Progression Series - February 1, 2015**

	start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo	start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	54 Mo
	Custodian (no previous progression)						Custodian A								
L.O.I. (Feb 1, 2015)	\$26.68	\$28.85	\$30.96				\$31.81	\$32.66							
	Assembler, Water Heater						Charge Hand, Water Heater								
L.O.I. (Feb 1, 2015)	\$26.68	\$29.68	\$32.66				\$33.84	\$35.00							
	Fleet Utility Hand						Parts & Inventory Clerk, Fleet								
L.O.I. (Feb 1, 2015)	\$29.68	\$31.68	\$33.65				\$34.98	\$36.24		\$37.51		\$38.85			
	Field Service Representative (no previous progression)						Senior Service Representative								
L.O.I. (Feb 1, 2015)	\$30.45	\$32.52	\$36.56	\$40.65			\$31.87	\$32.87		\$34.90		\$36.94		\$38.96	\$41.84
	Building Mechanic A						Charge Hand, Bldg Services								
L.O.I. (Feb 1, 2015)	\$33.34	\$34.36	\$36.42	\$38.44	\$40.49	\$42.53	\$39.84	\$40.90		\$41.96		\$43.04			
	Painter														
L.O.I. (Feb 1, 2015)	\$33.34	\$34.36	\$36.42	\$38.44	\$40.49	\$42.53									
	Cert Power Line Person						System Response Rep								
L.O.I. (Feb 1, 2015)	\$33.34	\$34.36	\$36.42	\$38.44	\$40.49	\$42.53	\$44.59								
	Fleet Mechanic (no previous progression)						Senior Fleet Mechanic								
L.O.I. (Feb 1, 2015)	\$33.34	\$34.36	\$36.42	\$38.44	\$40.49	\$42.53	\$43.50		\$44.94		\$45.49				
	St. Lt Line Service Technician						Lead Hand, Street Lights								
L.O.I. (Feb 1, 2015)	\$33.23	\$34.52	\$35.80	\$37.10			\$38.10	\$39.11		\$40.16					

**Payment for Relief and Promotion within a Progression  
Progression Series - February 1, 2016**

	start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo	start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	54 Mo
	Custodian (no previous progression)						Custodian A								
L.O.I. (Feb 1, 2016)	\$27.15	\$29.35	\$31.50				\$32.37	\$33.23							
	Assembler, Water Heater						Charge Hand, Water Heater								
L.O.I. (Feb 1, 2016)	\$27.15	\$30.20	\$33.23				\$34.43	\$35.61							
	Fleet Utility Hand						Parts & Inventory Clerk, Fleet								
L.O.I. (Feb 1, 2016)	\$30.20	\$32.23	\$34.24				\$35.59	\$36.87		\$38.17		\$39.53			
	Field Service Representative (no previous progression)						Senior Service Representative								
L.O.I. (Feb 1, 2016)	\$30.98	\$33.09	\$37.20	\$41.36			\$32.43	\$33.45		\$35.51		\$37.59		\$39.64	\$42.57
	Building Mechanic A						Charge Hand, Bldg Services								
L.O.I. (Feb 1, 2016)	\$33.92	\$34.96	\$37.06	\$39.11	\$41.20	\$43.27	\$40.54	\$41.62		\$42.69		\$43.79			
	Painter														
L.O.I. (Feb 1, 2016)	\$33.92	\$34.96	\$37.06	\$39.11	\$41.20	\$43.27									
	Cert Power Line Person						System Response Rep								
L.O.I. (Feb 1, 2016)	\$33.92	\$34.96	\$37.06	\$39.11	\$41.20	\$43.27	\$45.37								
	Fleet Mechanic (no previous progression)						Senior Fleet Mechanic								
L.O.I. (Feb 1, 2016)	\$33.92	\$34.96	\$37.06	\$39.11	\$41.20	\$43.27	\$44.26		\$45.73		\$46.29				
	St. Lt Line Service Technician						Lead Hand, Street Lights								
L.O.I. (Feb 1, 2016)	\$33.81	\$35.12	\$36.43	\$37.75			\$38.77	\$39.79		\$40.86					

**Payment for Relief and Promotion within a Progression  
Progression Series - February 1, 2017**

	start	6 Mo	18 Mo	30 Mo	42 Mo	54 Mo	start	6 Mo	12 Mo	18 Mo	24 Mo	30 Mo	36 Mo	42 Mo	54 Mo
	Custodian (no previous progression)						Custodian A								
L.O.I. (Feb 1, 2017)	\$27.69	\$29.94	\$32.13				\$33.02	\$33.89							
	Assembler, Water Heater						Charge Hand, Water Heater								
L.O.I. (Feb 1, 2017)	\$27.69	\$30.80	\$33.89				\$35.12	\$36.32							
	Fleet Utility Hand						Parts & Inventory Clerk, Fleet								
L.O.I. (Feb 1, 2017)	\$30.80	\$32.87	\$34.92				\$36.30	\$37.61		\$38.93		\$40.32			
	Field Service Representative (no previous progression)						Senior Service Representative								
L.O.I. (Feb 1, 2017)	\$31.60	\$33.75	\$37.94	\$42.19			\$33.08	\$34.12		\$36.22		\$38.34		\$40.43	\$43.42
	Building Mechanic A						Charge Hand, Bldg Services								
L.O.I. (Feb 1, 2017)	\$34.60	\$35.66	\$37.80	\$39.89	\$42.02	\$44.14	\$41.35	\$42.45		\$43.54		\$44.67			
	Painter														
L.O.I. (Feb 1, 2017)	\$34.60	\$35.66	\$37.80	\$39.89	\$42.02	\$44.14									
	Cert Power Line Person						System Response Rep								
L.O.I. (Feb 1, 2017)	\$34.60	\$35.66	\$37.80	\$39.89	\$42.02	\$44.14	\$46.28								
	Fleet Mechanic (no previous progression)						Senior Fleet Mechanic								
L.O.I. (Feb 1, 2017)	\$34.60	\$35.66	\$37.80	\$39.89	\$42.02	\$44.14	\$45.15		\$46.64		\$47.22				
	St. Lt Line Service Technician						Lead Hand, Street Lights								
L.O.I. (Feb 1, 2017)	\$34.49	\$35.82	\$37.16	\$38.51			\$39.55	\$40.59		\$41.68					

## **LETTER OF INTENT #8**

TORONTO HYDRO

February 10, 2001

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Permanent Promotion to Certified Crew Leader Positions

This letter confirms our discussions at negotiations regarding promotion to Certified Crew Leader positions. The parties recognize that seniority will be a key consideration in the competition for Certified Crew Leaders. In recognition of the principle of seniority, the parties agree that in order to be qualified to apply for the classification of Certified Crew Leader, employees who are in, or relieving in the classification, must have completed the Toronto Hydro Leadership Development Program.

Yours truly,

David Scott,  
Vice-President, Human Resources



## LETTER OF INTENT #9

TORONTO HYDRO

February 10, 2001

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Leadership Development Program

This letter confirms our discussions at negotiations regarding promotion to leadership positions.

The parties agree that in order to be successful leaders there are fundamental skills that need to be acquired and practised. The parties agree to establish a joint committee (3 persons each) who will develop the Leadership Development Program for employees who are in, or relieving in, a leadership role. The cost of the committee will be at the Employer's expense.

The Leadership Development Program will be developed within six (6) months of ratification of the Collective Agreement and presented at the Labour/Management Committee for their review.

The Leadership Development Program will include but not be limited to the following:

- Health and Safety
- Employee/Labour Relations
- Performance Management
- Project Administration/Work Scheduling
- Leadership Skills
- Human Rights & Employment Equity
- On the job technical training
- Enforcement of rules, regulations and relevant legislation
- Communication Skills
- Identification of other development programs (e.g. Interview Preparation, Performance Appraisal Evaluation)

In addition, a requirement for attending the Toronto Hydro Leadership Development program will be a prerequisite for leadership positions and will be included on the Job Posting.

Crew Leader vacancies may be filled on a relief basis until the program is completed to permit implementation of this program.

Yours truly,

David Scott,  
Vice-President, Human Resources

## **LETTER OF INTENT #10**

TORONTO HYDRO

December 10, 2008

Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo:

Re: Relief to Certified Crew Leader, Meter and Certified Crew Leader, Certified Power Cable Person by Certified Meter Mechanic/Tester and Certified Power Cable Person respectively.

This letter confirms our discussions at negotiations regarding relief. The parties are prepared to implement the following exception to Article 12.01.

The most senior qualified Certified Meter Mechanic/Tester and the most senior Certified Power Cable Person will be offered the opportunity to relieve in the above classifications by location.

Yours truly,

Ave Lethbridge, Vice-President  
Organizational Effectiveness,  
Environment, Health and Safety

## **LETTER OF INTENT #11**

TORONTO HYDRO

January 22, 2001

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Laundering of Outer Workwear

This letter confirms our discussions at negotiations regarding the laundering of outer workwear at all work centers.

It is recognized that Employees may from time to time get substances on their outer workwear that should be commercially laundered rather than laundered at home. Such substances include designated substances and oil-based products. It is also recognized that excessively soiled clothes should be commercially laundered.

It is the Employer's intention to launder coveralls, overalls, and smocks that become excessively soiled at work, or exposed to designated substances. This clothing will be dropped off and picked up by the Employee at times and locations as designated by the Employer during normal working hours.

This understanding needs to be renewed at the expiration of the Collective Agreement otherwise it expires.

Yours truly,

David Scott,  
Vice-President, Human Resources

## LETTER OF INTENT #12

TORONTO HYDRO

**February 5, 2014**

**John Camilleri, President  
CUPE Local One  
15 Gervais Drive, Suite 700  
Toronto, Ontario  
M3C 1Y8**

Dear Mr. **Camilleri**:

Re: Toronto Hydro's Post Retirement Benefits Program

This is to confirm our discussions at negotiations concerning retiree benefits.

It is agreed that employees in the bargaining unit, who retire and receive a pension, on or after ratification of this agreement, shall be entitled to receive Toronto Hydro's Post Retirement Benefits Program dated **January 2009** with the following amendments:

- Schedule A will be extended to December 31, 2020.
- Upon death of retiree, the surviving spouse will continue to receive the same medical and hospital services coverage.
- For greater clarity, this is to confirm that the lifetime maximum caps for both Health and Dental benefits for Schedule A and Schedule B are removed and that Schedule C will continue.
- **Employees hired on or after February 1, 2014 shall only be eligible for Schedule C Post Retirement Benefits. For greater clarity, employees hired on or after February 1, 2014 shall not be eligible for Schedule A or Schedule B Post Retirement Benefits.**

Yours truly,

**Helia Ralph,  
Director, Employee Labour Relations**

## LETTER OF INTENT #13

TORONTO HYDRO

**January 24, 2014**

**John Camilleri, President**  
CUPE Local One  
**15 Gervais Drive, Suite 700**  
Toronto, Ontario  
**M3C 1Y8**

Dear Mr. **Camilleri**:

Re: Temporary and Indefinite Relocation of Employees within the City of Toronto

This will confirm our discussion in negotiations regarding the desire to have a structured approach when employees are reassigned to the various home work centres. We also agreed that, in some cases, having crews report directly to the job site **or satellite site** will improve operational efficiency, productivity and customer service.

The following sets out the agreed process to accomplish the relocation of employees:

### Temporary Relocation (greater than 2 weeks) to another Work Centre

Definition: The Employee will return to the home work centre eventually

- Employer determines requirement and work location of employees to be moved.
- Notice provided to the Union
- Notice posted at source **home work centre**, including approximate duration **and the affected classification(s)**
- Reassignment offered to senior qualified employee(s) in classification from source **home work centre**
- If insufficient number of senior qualified volunteers, junior qualified employee(s) from source **home work centre** is reassigned
- **Reporting to another work centre will not commence without two (2) weeks' notice, unless both parties agree otherwise**
- **Employer will make necessary arrangements for employee parking**

## Temporary Relocation – Reporting Directly to the Job Site

Definition: The Employee will return to the home work centre eventually

- Employer determines requirement and identifies crew(s) to report to job site
- Employer determines duration of assignment, which may be limited by duration of project, or by logistical considerations
- Distance of assignment to be within the serviced territory of **the employer (City of Toronto)**
- Reporting to the job site will not commence without two (2) weeks' notice, unless both parties agree otherwise
- **Assignment may be offered on a rotational basis within a department**
- Employer will make necessary arrangements for employee parking

## Indefinite Relocation to another Work Centre

Definition: The Employee(s) is not expected to return to home work centre

- Employer determines requirement and source **home work centre** of employees **to be moved**
- Notice provided to the Union
- Notice posted first in the source **home work centre**
- **Reporting to another work centre will not commence without two (2) weeks' notice, unless both parties agree otherwise**
- Senior employee(s) who volunteers in classification and in **home work centre** transfers
- If insufficient numbers of volunteers from source **home work centre**, the Employer will consider volunteers from other work centres on the basis of seniority and availability
- Notice posted system-wide for interested volunteers
- If numbers of volunteers are still insufficient, junior employee(s) will be assigned from the source **home work centre**
- **Employer will make necessary arrangements for employee parking**

## Reporting Directly to the Satellite Site

Definition: The Employee will return to the home work centre eventually

Definition: Satellite site is any site other than a job site or home work centre

- **Employer determines requirement and identifies employees to report to satellite site**

- **Employer determines duration of assignment, which may be limited by duration of project, or by logistical considerations**
- **With the exception of spares and overtime work, reporting to the satellite site will not commence without two (2) weeks' notice, unless both parties agree otherwise**
- **Assignment may be offered on a rotational basis within a department**
- **Employer will make necessary arrangements for employee parking**

**Employee Request for Relocation to another Home Work Centre**

- **Two employees in the same classification who report to different home work centres may submit a request to their Supervisors to exchange home work centres**
- **Such requests for exchange will be determined at the Employer's sole discretion**

N.B. Seniority for the purposes of relocation is the length of service in a classification.

N.B. The Employer will provide employees with written confirmation of the relocation

Yours truly,

**Helia Ralph**  
**Director, Employee Labour Relations**



## **LETTER OF INTENT #14**

TORONTO HYDRO

February 11, 2001

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Further to our discussions in negotiations, this will confirm our position that no bargaining unit employee's job in the LDC will be eliminated as a result of assignment of work to the Retail Affiliate.

This letter will expire at the end of the term of the Collective Agreement unless renewed.

Yours truly,

David Scott,  
Vice-President, Human Resources

## LETTER OF INTENT #15

January 21, 2014

**John Camilleri, President  
CUPE Local One  
15 Gervais Drive, Suite 700  
Toronto, Ontario  
M3C 1Y8**

Dear Mr. **Camilleri**:

Re: Overtime Administration

This will confirm our discussion during negotiations regarding the desire to have a fair and consistent administration process of overtime. To achieve this, the following process will be followed:

- A uniform overtime list (see attached) shall be maintained that records **all** overtime worked and charged, per Location and per classification. These lists will be posted on a **bi-weekly** basis and made available to the Union Steward.
- **A call out report shall be maintained to record the names and times of all calls and made available to the Union Steward.**
- As of January 1<sup>st</sup> each year, the hours of **all** overtime of the employee in each classification with the lowest hours will be deducted from all employees in the classification at the Location.
- When an employee returns from an absence of eight (8) weeks or more, the employee will be charged sufficient hours to equal the average overtime hours worked in the classification at the Location during the period of absence.
- For pre-arranged overtime, the crew involved in the commencement of the work **may** be assigned the overtime.
- For work continuing past the regular stop time, the crew performing the work during the day **may be assigned to** continue the work on overtime.
- **Employee(s)** who are also on standby **may** continue to work with their crew past regular hours provided **the employee(s) have** prior approval to do so from the **Shift Supervisor**.

- Employees on standby will not be offered planned overtime work in the same period, **except as noted in the above bullet.**
- **Shift workers overtime work will be offered to the employee with the lowest overtime hours accumulated on the overtime list, provided the overtime work to be performed is within the employee's experience and training, and provided the overtime work does not conflict with the employee's weekly shift schedule.**
- Employees on vacation, sick, WSIB, or other approved leave will not be offered overtime work.
- **In all cases, if employees decline overtime or are unavailable at the time of call, they will be charged the hours worked by the employee who accepted the overtime.**
- Supervisor will be responsible to document call-out response travel times and set expectations related to infringement of travel time.
- **If an employee is approaching or exceeding the "Commercial Vehicle Driver Hours of Service" or the "excessive hours of work permit" maximums, s/he shall advise the requesting Supervisor, and if the Supervisor determines that the employee is not required to work the overtime, the employee shall not be charged.**

Yours truly,

**Helia Ralph**  
**Director, Employee Labour Relations**

[illegible]

\*\* Denotes employees on modified duties not to be called

Note: Carry Forward balance from 2005 will be zero as ranking is from lowest to highest order as of overtime worked up to and including January 31, 2006.

## **LETTER OF INTENT #16**

November 17, 2005

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Joint Apprenticeship Council

This will confirm our discussions in negotiations relating to the pending apprentices in all the skilled trades.

The parties agree to establish a Joint Apprenticeship Council that will develop the Apprenticeship Training Program for all skilled trades, recognizing that the Apprenticeship Training Program will be structured to meet the needs of the Employer.

To this end, a joint committee of up to two (2) members, as selected by the Union, and two (2) Employer representatives will be established for each trade.

The Committees will meet and make recommendations to the Labour/ Management Committee as follows:

1. Develop and make recommendations on course content.
2. Formulate and recommend skill sets required at each step of the 54-month apprenticeship program.

The cost of the Committees will be at the Employer's expense.

Yours truly,

Ave Lethbridge, Vice-President  
Organizational Effectiveness

## **LETTER OF INTENT #17**

December 7, 2005

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: System Response Representative and Certified Power Line  
Person – “Fixed” Classification Seniority List

This will confirm our discussion during negotiations regarding the change from a “revolving” to a “fixed” classification seniority list for employees in the classifications of System Response Representative and Certified Power Line Person. The parties are prepared to implement the following exception to Article 9.01:

- All System Response Representatives and Certified Power Line Persons will be placed on a combined “fixed” classification seniority list, which shall be defined as the apprentice start date in the line trade with Toronto Hydro.
- The combined “fixed” classification seniority list shall be used to determine relief to Certified Crew Leader Line in accordance with Article 12.07.
- Only relief and/or promotion to System Response Representative shall be by the “revolving” classification seniority list in accordance with Article 9.01.
- Article 9.01 will only apply to the Certified Power Line Persons in System Response relieving as System Response Representatives.

Yours truly,

Ave Lethbridge, Vice President  
Organizational Effectiveness

## LETTER OF INTENT #18

December 7, 2005

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Station Response Representative and Certified Substation Electrician – “Fixed”  
Classification Seniority List

This will confirm our discussion during negotiations regarding the change from a “revolving” to a “fixed” classification seniority list for employees in the classifications of Station Response Representative and Certified Substation Electrician. The parties are prepared to implement the following exception to Article 9.01:

- All Station Response Representatives and Certified Substation Electricians will be placed on a combined “fixed” classification seniority list, which shall be defined as the apprentice start date in the Substation Electrician trade with Toronto Hydro.
- The combined “fixed” classification seniority list shall be used to determine relief to Certified Crew Leader Stations in accordance with Article 12.07.
- Only relief and/or promotion to Station Response Representative shall be by the “revolving” classification seniority list in accordance with Article 9.01.
- Article 9.01 will only apply to the Certified Substation Electricians in Station Response relieving as Station Response Representatives.

Yours truly,

Ave Lethbridge, Vice President  
Organizational Effectiveness

## **LETTER OF INTENT #19**

December 7, 2008

Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo:

Re: Health Club Membership

This will confirm our discussion during negotiations regarding fitness membership. In consideration of the importance of employee wellness, the Employer agrees to the following:

- Payment up to \$400.00 per year towards the cost for a health club membership.
- The health club must be recognized/registered fitness institution.
- Employees must submit an expense report including related receipt to Finance for reimbursement.

This letter will expire at the end of the term of the Collective Agreement unless renewed.

Yours truly,

Ave Lethbridge  
Organizational Effectiveness,  
Environment, Health and Safety



## LETTER OF INTENT #20

TORONTO HYDRO

December 16, 2005

Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Selection Process for Certified/Crew Leader

This letter will confirm our discussion during negotiations regarding the selection process for the position of Certified/Crew Leader. The following changes will be implemented.

- Applicants to a posted vacancy for the position of Certified/Crew Leader will be invited to attend a group session facilitated by Human Resources to provide applicants with an overview of the selection format and content structure.
- Applicants will be required to achieve a minimum score of 50% on the Job Knowledge Test in order to proceed to the next step in the selection process.
- The selection format will include: 1) a Job Knowledge Test comprised of multiple choice and written answer questions specific to the classification (40%); 2) an Interview focussing on applied knowledge in the Certified/Crew Leader role (40%); and 3) an assessment of Work experience relevant to the Certified/Crew Leader role (20%)
- The successful candidate will be the senior candidate from the fixed list who achieves a total score exceeding the threshold of 60%.

Yours truly,

Ave Lethbridge  
Organizational Effectiveness

## **LETTER OF INTENT #21**

**TORONTO HYDRO**

February 1, 2009

Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite, 1001  
Toronto, Ontario  
M4W 3P4

Re: Short Term Relief into Certified Crew Leader, Line and Certified Crew Leader,  
Stations

Dear Mr. Demelo:

This letter confirms our agreement at negotiations regarding the requirement of 2088 hours in relief as a System Response Representative and Station Response Representative for relief to Certified Crew Leader, Line and relief to Certified Crew Leader, Stations respectively.

For the purpose of article 12.07(a) and (b) only, having worked 2088 hours in call-out or standby time as a Journeyperson Line and Certified Substation Electrician shall be deemed equivalent to 2088 hours in relief as a System Response Representative and Station Response Representative. It is understood that this equivalency will not supersede 2088 hours in relief as System Response Representative and Station Response Representative.

Yours truly,

Ave Lethbridge, Vice-President  
Organizational Effectiveness &  
Environment, Health and Safety

## LETTER OF INTENT #22

TORONTO HYDRO

December 20, 2008

Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo

Re: Compressed Work Week in Supply Chain Services Department

This will confirm our agreement at negotiations regarding a Compressed Work Week in the Supply Chain Services Department that will improve operational efficiency, productivity and customer service.

The Compressed Work Week shall be established as follows:

- the Department may identify the need and duration for a Compressed Work Week;
- adequate coverage must be provided during a Compressed Work Week;
- employees may volunteer to be considered to work a Compressed Work Week;
- employees shall have the right to refuse to participate in a Compressed Work Week;
- assignment to the Compressed Work Week will be at the discretion of the Employer, and will be provided as equitably as practicable;
- a Compressed Work Week will not commence without four (4) weeks' notice, unless both parties agree otherwise;
- the work week shall be four (4) consecutive days, between Monday and Friday, with a start time no earlier than 6:30 a.m. and a stop time no later than 8:30 p.m. Time worked outside the prearranged Compressed Work Week period shall be paid in accordance with Article 33;
- Article 33.01 shall not apply to employees while working a Compressed Work Week. Forty (40) hour week employees shall have a one-half (1/2) hour paid lunch in accordance with Article 33.01;
- there shall be no Compressed Work Week schedule should a Public Holiday occur in that week.

Should an insufficient number of employees volunteer for this Compressed Work Week, the Employer may post for a new afternoon shift position. This shift will include a shift premium as per article 33.12. Those Supply Chain Service workers (Material Handler, Senior Material Handler) who fill the new shift position will also be identified as shift workers in accordance with Article 33 of the Collective Agreement.

Sincerely,

Ave Lethbridge, Vice President  
Organizational Effectiveness,  
Environment, Health and Safety

## **LETTER OF INTENT #23 - NEW**

**TORONTO HYDRO**

**February 12, 2014**

**John Camilleri, President  
CUPE Local One  
15 Gervais Drive, Suite 700  
Toronto, Ontario  
M3C 1Y8**

**Dear Mr. Camilleri:**

**Re: Voluntary Departmental New Hours of Work Schedules**

**This will confirm our discussion in negotiations regarding the need to schedule employees and organize work in a manner that provides greater flexibility, productivity and customer service. To achieve this, the following voluntary process will be followed regarding the creation of Departmental New Hours of Work Schedules for employees in the following positions: CPLP, CPCP, DST, CCL and Plant Mechanics.**

- Employees will not be scheduled to work on a Departmental New Hours of Work Schedule unless they have volunteered to do so. Employees who do not volunteer shall remain on the hours of work as set out in Article 33.01 of the Collective Agreement.**
- The Department's New Hours of Work Schedule will be posted for a duration of four (4) weeks at a time and will be posted at least two (2) weeks in advance. Employees in the above classifications who wish to volunteer must sign up at least one (1) week prior to a Departmental New Hours of Work Schedule commencing.**
- Employees will only be scheduled on a Departmental New Hours of Work Schedule where the Department determines there is a need to do so and where there are a sufficient number of employees who have volunteered. Where more employees volunteer than available positions exist, the opportunities will be offered to the senior volunteers in the posting Department.**
- If there are insufficient volunteers in the posting Department, volunteers from other Departments may be considered.**

- **Changes to a Departmental New Hours of Work Schedule may be made where the affected employee(s) and Department agree to the change. The Union must be notified of any changes to the Departmental New Hours of Work Schedule.**
- **Where relief to CCL is required for a crew that has been scheduled on a Departmental New Hours of Work Schedule, the relief shall be offered to the senior qualified employee on that crew.**
- **The Departmental New Hours of Work Schedules run from Monday to Friday.**
- **Employees working on a Departmental New Hours of Work Schedule may be scheduled for eight (8) and / or ten (10) hour days, totalling forty (40) hours per week.**
- **The Departmental New Hours of Work Schedules' start times will be as follows:**
  - **Start between 6:00 am and 10:00 am ("Morning Hours") or;**
  - **Start between 12:00 pm and 4:00 pm ("Afternoon Hours").**
- **Articles 33.01 to 33.12, inclusive, shall not apply to the Departmental New Hours of Work Schedules. (Employees shall be provided with one-half (1/2) hour paid lunch to be taken in the vicinity of the work site.)**
- **Overtime shall only be payable during the Departmental New Hours of Work Schedules when employees work more than eight (8) or ten (10) hours per day that they have been scheduled for, or more than forty (40) hours per week.**
- **During the Departmental New Hours of Work Schedules, when an employee is scheduled for and works an eight (8) or ten (10) hour shift during Afternoon hours, he/she shall be paid a premium of 4% on their hourly wage rate. This premium does not apply to hours worked on overtime.**
- **This letter will expire at the end of the term of the Collective Agreement unless renewed.**

**Yours truly,**

**Helia Ralph  
Director, Employee Labour Relations**

## **LETTER OF INTENT #24**

Toronto Hydro

December 22, 2008

Victor Demelo, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Demelo:

Re: Job Harmonization

For ease of reference, the Job Classifications harmonized are attached to this letter titled Outside Classification Schedule Job Harmonization.

Yours truly,

Ave Lethbridge, Vice-President  
Organizational Effectiveness &  
Environment, Health and Safety

<b>Outside Classification Schedule Job Harmonization</b>	
<b>New Classification</b>	<b>Previous Classification</b>
Distribution System Technologist	<ul style="list-style-type: none"> <li>• CCL – Substations Technician</li> <li>• Crew Leader- Stations</li> <li>• Substation Technician</li> <li>• Protection &amp; Control Technician (Outside and Inside)</li> <li>• Station Response Representative</li> <li>• Certified Substation Electrician</li> </ul>
Logistics Handler	<ul style="list-style-type: none"> <li>• Equipment Distribution Person</li> <li>• Senior Material Handler</li> <li>• Material Handler</li> <li>• Warehouse Dispatch Clerk</li> <li>• Transformer Maintainer</li> </ul>
Plant Mechanic	<ul style="list-style-type: none"> <li>• Cement Finisher</li> <li>• Utility Hand-Chamber Maintenance</li> <li>• Utility Hand - Construction</li> <li>• Charge Hand - Cable</li> <li>• Charge Hand – Construction</li> <li>• Charge Hand – Chamber Maintenance</li> <li>• Cable Installer</li> <li>• Driver/Operator</li> <li>• Driver</li> <li>• Labourer</li> </ul>
Crew Leader- Plant Mechanic	<ul style="list-style-type: none"> <li>• Crew Leader – Construction</li> <li>• Crew Leader – Maintenance</li> <li>• Crew Leader – Pit Inspector</li> <li>• Crew Leader Cable</li> </ul>
Certified Power Cable Person	<ul style="list-style-type: none"> <li>• Electrical Mechanic</li> <li>• Jointer</li> <li>• Power Cable Person</li> </ul>
Certified Crew Leader, Power Cable Person	<ul style="list-style-type: none"> <li>• Crew Leader, Electrical Mechanic</li> <li>• Crew Leader, Jointer</li> <li>• Crew Leader, Power Cable Person</li> </ul>
Construction Inspector	<ul style="list-style-type: none"> <li>• Linestaker</li> <li>• Linestaker Assistant</li> <li>• Field Inspector (Outside)</li> </ul>



## **LETTER OF INTENT #25**

TORONTO HYDRO

June 17, 1999

Mr. Bruno Silano, President  
CUPE Local One  
890 Yonge Street, Suite 1001  
Toronto, Ontario  
M4W 3P4

Dear Mr. Silano:

Re: Mapping Document

For ease of reference, the following pages include all the job classifications from the six (6) former utilities that were mapped to the new job classifications in Schedule O.

Yours truly,

David Scott,  
Vice-President, Human Resources

OUTSIDE CLASSIFICATION SCHEDULE MAPPING DOCUMENT	
Labourer	Labourer (S) Labourer [2111] (T) Labourer [2121] (T) Labourer [2131] (T) Labourer [2171] (T) Labourer [2191] (T)
Custodian	Building & Groundskeeper (E) Caretaker (S) Sr Caretaker (S) Rest Room Attendant [6.02] Cleaner [6.03] Senior Cleaner [6.04] Custodian [6.61] Caretaker (Y) Electrician Helper [6.20]
Linestaker Assistant	Linestaker Assistant (NY)
Utility Hand ***	Maint Hand [2231] (T) Const Hand [2233] (T) Shop Hand [2251] (T) Supply Hand [2213] (T) Reclaim Hand [2221] (T) Water Heater Hand [2291] (T)
Ground Person	Groundperson (EY) Groundman (E) Groundperson (S) Ground Worker [2312] (T) Groundperson (Y)
Utility Person ***	Mech/Help Test [2321] (T) Utility Wrkr Reclaim [2322] (T) Station Hand [2351] (T)
Driver	Truck Driver (E) Truck Driver (S) Driver, Mtce U/G [2211] (T) Driver O/H [2212] (T) Driver SC [2252] (T) Driver GAR [2271] (T) Driver MM [2283] (T) Delivery Driver U/G [2332] (T) Delivery Driver MET [2361] (T) Special Driver GAR [2373] (T)

OUTSIDE CLASSIFICATION SCHEDULE MAPPING DOCUMENT	
Assembler, W/H	Assembler A [2391] (T) Assembler B [2292] (T)
Custodian A	Substation Utility Person (E) Sr Station Cleaner [2345] (T) Station Cleaner [2242] (T)
Building Maintainer C	Admin Services Maintainer (NY) Bldg Mtce Services Gr1 [6.16] Labourer (Y)
Meter Person	Meter Cleaner Tester (EY) Meter Repairs Helper (S) Meter Hand [2262] (T)
Meter Reader	Meter Reader A (EY) Domestic M/R (NY) Meter Reader (S) Meter Reader (Res) (Y) Meter Dept Verifier (Y)
Fleet Utility Hand	Garage Helper (E) Garage Utility Hand (NY) General Maintenance (S) Lubricator (S) Utility Person [2427] (T) Tire Repairer [2471] (T) Utility Worker [2474] (T) Vehicle Maintenance (Y)
Driver / Operator	Cable Truck Driver [2437] (T) Driver (Const) [2232] (T) Delivery Driver O/H [2311] (T) Grd Wrkr Driver O/H [2313] (T)
Supply Attendant ***	Supply Attendant [2475] (T)
Field Collector	Field Collector (Y)
Pit Inspector	Pit Inspector Helper [2324] (T) Pit Inspector [2521] (T)
Cable Installers	Cable Hand [2234] (T) Power Cable Hand [2334] (T) Rigger [2532] (T)

OUTSIDE CLASSIFICATION SCHEDULE MAPPING DOCUMENT	
Meter Stock Hand ***	Meter Stock Hand [2561] (T)
Cement Finisher	Cement Finisher [2512] (T) Cement Finisher [2536] (T)
Meter Reader A	Comm M/R (NY) Meter Reader A (S) Meter Reader (Gen) (Y)
Office Clerk, Stores ***	Office Clerk, Stores (NY)
Heavy Equipment Operator	MCO U/G [2631] (T)
MCO / Driver	Equipment Operator (E) Driver Operator Auger (NY) BoomTruck Operator (NY) Truck Driver A (S) MCO [2611] (T) Driver / Groundperson (Y)
St Lt Maintainer	Street Light Spotter (E) St Lt Maintainer (NY) St Lt ServicePerson (T) St Lt RepairPerson (T)
Building Maintainer B	Bldg Mtce Services Gr2 [6.17] Gen Mtce & Grds Keeper (S) Bldg Mtce Mechanic (Y) General Repairman (E)
Material Handler	Warehouse Person (EY) Stockkeeper (E) Mat Dist Person, Stores (NY) Stockkeeper, Stores (S) Warehouse Person (T) Material Handler (T) Store Keeper (Y) Ass't Store Keeper (Y)
Parts & Inventory Clerk, Fleet	Parts & Inventory Clerk (NY)  Stockkeeper, Gar (S) Parts Keeper GAR [2572] (T)

<p align="center"><b>OUTSIDE CLASSIFICATION SCHEDULE MAPPING DOCUMENT</b></p>
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Equipment Distribution Person	Tool Room Clerk (E) Supply Dist Person, Tool (NY) Equip Attendant [2342] (T) Equip Attendant [2352] (T)
St Lt Line Service Technician	Service & St Lt Maintainer (NY)
Dispatcher, Locates	Dispatcher, Locates (NY)
Senior Material Handler	Store Keeper S/F (EY) Stores S/F (E) Lead Hand Stores (NY)
Charge Hand W/H	Charge Hand W/H [2791] (T)
Charge Hand Chamber Mtce.	Charge Hand MH [2734] (T)
Meter Installer	1p Meter Ser Rep (NY) 1p Whr Meter Installer (NY) Installation Repair Tech (EY) Meter Installer (S)
Building Maintainer A	Bldg Mtce Services Gr3 [6.18] Building Maintainer (NY)
Field Service Representative	Consumer Service A (EY) Customer Acc't Field Rep (E) W/H Service Rep (E) Field Service Rep (NY) Technical Serviceperson (S) Field Service Person (Y)
Cable Locator	Cable Locator (NY)
Linestaker	Linestaker (NY)
Charge Hand, Construction	C/H Construction [2831] (T) C/Hand Cement O/H [2811] (T)

OUTSIDE CLASSIFICATION SCHEDULE MAPPING DOCUMENT	
Transformer Maintainer	Transformer Maintainer (E) Transformer Maintainer (NY) Test Mechanic TT (T)
Trouble Dispatcher	Trouble Dispatch [1.39] (T)
Field Inspector	Contract Inspector (E) Inspector (S)
Senior Service Representative	Consumer Service S/F (EY) W/H S/F (E) Meter Reader S/F (E) L/H Field Service (Y)
Building Mechanic A	Bldg Mtce Mechanic A (T)
Lead Hand St Lts ***	Service & St Lt L/H (NY)
Fitter, Fleet	Fitter (NY)
Carpenter	Carpenter A (T)
Welder	Welder A (T)
Machinist	Machinist A (T)
Painter	Painter A (T)
Forester	Forester (S)
Maintenance Electrician	Maint Elec Gr2 [6.22] Maint Elec Gr3 [6.23]
Plumber	Plumber (T)
Cert Substation Electrician	SS Electrician (E) {non CET} Station Mtce Journeyman (EY) Substation Electrician (NY) J Substations (S) Elec Mech A SC (T)
Substation Electrician <b>AP</b>	SS Apprentice 4 (S) Elec Mech B SC (T)

<p align="center"><b>OUTSIDE CLASSIFICATION SCHEDULE MAPPING DOCUMENT</b></p>
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Meter Mechanic / Tester	Meter Relay Tech (EY) Meter Tech J (E) Comm Meter Ser Rep (NY) J Meter Tech (S) Meter Mech A (T) Meter Mech J (Y)
Meter Mechanic / Tester <b>AP</b>	Meter Relay Tech App (EY)

Cert Power Line Person	J Line Person (EY) Line Journeyman (E) Cert Power Line Person (NY) J Line Person (S) Line Person A (T) J Line Person (Y) Service Mtce Mechanic (T)
Power Line Person <b>AP</b>	Line Apprentice D (EY) Line Apprentice (E) Line Person B (T) Line Person D (T)

Cert Power Cable Person	Cable J (E)
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Jointer	Jointer A (T) Jointer B (T) Jointer C (T)
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Electrical Mechanic	Elec Mech A (T) Elec Mech B U/G (T)
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Fleet Mechanic	Stores / Mechanic (EY) Garage Mechanic (E) Licenced Mechanic (NY) Mechanic (S) Auto Mechanic (T) Auto Mechanic (Y)
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Charge Hand, Bldg Services	Painter AA (T)  Bldg & Grounds S/F (E)
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Charge Hand, Cable	Charge Hand Cable [2832] (T)
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Crew Leader, Pit Inspection	Foreperson, Vault Inspect (T)
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## OUTSIDE CLASSIFICATION SCHEDULE MAPPING DOCUMENT

Crew Leader, Maintenance	Foreperson, Maintenance (T)
System Response Reps	Line Journeyman (E) Trouble Shooter (NY) J Line Person (S) O/H Trouble (T) J Line Person (Y)
Station Response Reps	Station Trouble (T)
Building Maintainer AA	Bldg Supt (S) <i>{* Use 35 hour wk}</i>
Senior Fleet Mechanic	Garage S/F (E) Senior Mechanic (NY) Auto Mechanic L/H (Y) Auto Mechanic S/F (Y)
Substation Technician <i>{CET and Journeyman Substation Electrician}</i>	Substation Electrician (E)
System Operator          Operator <b>AP</b>	Operator (EY) System Control Sub Foreman E Senior System Control Op (E) Senior Operator (NY) Systems Operator (S) <i>{System Controllers (T)}</i>  Operator / Dispatch (EY) Control Room Operator (E) Operator Intermediate (NY)
Crew Leader, Building Services	F/P Building Services (T)
Crew Leader, Machine Shop	F/P Machine Shop (T)
Crew Leader, Cable	F/P A Cable (T)
Crew Leader, Construction	F/P Construction (T)



<p align="center"><b>OUTSIDE CLASSIFICATION SCHEDULE MAPPING DOCUMENT</b></p>
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Cert Crew Leader, Line	S/F 1 (E/Y) S/F 2 (E/Y) Line S/F (E) Cert Power Line Coord. (NY) F/P A/Line (T) F/P A Overhead (T) Line S/F (Y)
Crew Leader, Elec. Mechanic	F/P Pit (T)
Cert Crew Leader, Power Cable	Cable S/F (E) F/P Pit (T) F/P Jointer (T)
Crew Leader, Jointer	F/P Jointer (T)
Cert Crew Leader, Stations	S/F Station Mtce (EY) Substation S/F (E) S/S Crew Co-ord (NY) F/P Station Const (T)
Cert Crew Leader, Meter	Meter Dept S/F (EY) Meter Tech S/F (E) F/P Meter (T) Meter Mech S/F (Y)
Metering Technician	Metering Technician (NY) Instrument Technician (S)
P&C Technician	P&C Technician (NY) Measurement Technologist (S) P&C Technician (S)
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LETTER OF CONFIRMATION FORMING PART OF MEMORANDUM OF SETTLEMENT

**February 13, 2014**

**John Camilleri, President  
CUPE Local One  
15 Gervais Drive, Suite 700  
Toronto, Ontario  
M3C 1Y8**

Dear Mr. **Camilleri**:

Re: Renewal of Appendixes between Toronto Hydro and CUPE Local No. 1

This will confirm our agreement in negotiations to renew the following Appendices covering both the Inside and Outside Collective Agreements between Toronto Hydro and CUPE Local No. 1 co-incident with the term of the **2014 to 2018** Collective Agreements:

1. Canadian Union of Public Employees, Local No. 1 & Toronto Hydro Energy Services Inc.
2. Canadian Union of Public Employees, Local No. 1 & Toronto Hydro Street Lighting Inc.

This further confirms that the reference in the renewed Appendices to CUPE's Inside and Outside Collective Agreements are references to the **2014 to 2018** Agreements. For greater certainty, this confirms that all changes to the **2014 to 2018** Inside and Outside Collective Agreements apply to all employees of Toronto Hydro Energy Services Inc., Toronto Hydro Street Lighting Inc.

This letter is effective from this date and in effect so long as the terms and conditions of the Collective Agreements continue to operate.

Yours truly,

**Helia Ralph,  
Director, Employee Labour Relations**

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Toronto Hydro  
Toronto Hydro Electric System  
Toronto Hydro Energy Services Inc.  
Toronto Hydro Street Lighting Inc.

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CUPE Local No. 1

Agreement Between:

CANADIAN UNION OF PUBLIC EMPLOYEES  
LOCAL NO. 1  
("CUPE Local 1")

- and -

TORONTO HYDRO STREET LIGHTING INC.  
("Street Lighting Co." or "the Employer")

Recitals

- A. Toronto Hydro-Electric System Limited ("the LDC") is bound to a Collective Agreement with CUPE Local 1 dated February 1, 2001 to January 31, 2003 for Outside Employees ("the Outside Collective Agreement").
- B. The LDC has decided to sell its street lighting business to the Street Lighting Co. ("the Transaction") which will involve the transfer of the bargaining unit employees listed on the attached Schedule A ("the Street Lighting Business Employees").
- C. Street Lighting Inc. and CUPE Local 1 have engaged in discussions concerning the implementation of this transaction.

NOW THEREFORE both Street Lighting Co. and Local 1 agree as follows:

- 1. Street Lighting Co. and CUPE Local 1 agree that effective the closing of the Transaction, Street Lighting Co. will, pursuant to the sale of a business provisions of section 69 of the *Labour Relations Act*, be bound to the Outside Collective Agreement. All the terms and conditions of the Outside Collective Agreement shall apply to bargaining unit employees of the Street Lighting Co. except that this Agreement supersedes the provisions of the Outside Collective Agreement and with the necessary changes such as references to the Employer shall mean Street Lighting Co.
  - (a) Effective the closing of the Transaction, the Street Lighting Business Employees as identified in the attached Schedule "A" shall become employees of Street Lighting Co.
  - (b) Street Lighting Business Employees listed in Schedule "A" shall continue to retain and accrue seniority and service in the LDC while working for Street Lighting Co. External hires will commence seniority from the date of hire by Street Lighting Co.



- (c) Street Lighting Business Employees listed in Schedule “A” will be permitted to apply for posted vacancies in the LDC.
- (d) Instead of any lay-off of Street Lighting Business Employees listed in Schedule “A” by the Street Lighting Co., the Street Lighting Co. will transfer the affected Street Lighting Business Employees back to the LDC, where the appropriate lay-off provisions of the Outside Collective Agreement will apply to the employees so transferred.
- (e) In the event the Street Lighting Co. is sold, instead of remaining with the Street Lighting Co., Street Lighting Business Employees listed on Schedule “A” will have the option of being transferred to the LDC, where the appropriate lay-off provisions of the Outside Collective Agreement will apply to the employees so transferred. The option to transfer back to the LDC will be exercised, in writing, by the Street Lighting Business Employees listed in Schedule “A” within thirty (30) days of the closing of the sale of the Street Lighting Co. The “Sale” for the purposes of this section means that the Toronto Hydro Corporation no longer holds, either directly or indirectly, a controlling interest in the Street Lighting Co.

#### Work Site

- (a) When the Employer determines that an employee is required to drive to a job site outside the City of Toronto, she/he shall be reimbursed for mileage at the rate as per Article 33.33 of the Outside Collective Agreement.
  - (b) The above mileage shall be computed to and from the job site outside the City limits and the employee’s Street Lighting Co. work centre.
  - (c) When the Employer determines that overnight accommodation is required the Employer will provide accommodation based on double occupancy. A daily meal allowance of \$40.00 will be provided. After two (2) consecutive days, an additional stipend of \$20.00 will be paid. If an employee is required to stay for the remainder of the work week, an additional \$20.00 will be paid.
2. This Agreement is effective from the date of signing until **January 31, 2018**.
  3. This Agreement is the “Street Lighting Appendix” to the Outside Collective Agreement.

4. The Union agrees that the Companies or any combination of the Companies do not constitute one employer pursuant to section 1(4) of the *Labour Relations Act* (a “Section 1(4) Employer”) and that the execution of this Agreement does not cause the Companies or any combination thereof to become a Section 1(4) Employer and no party shall use this Agreement or any matter relating to its implementation or application to support a claim that the Companies or any combination thereof is a Section 1(4) Employer. For purposes of this paragraph, the “Companies” means Toronto Hydro-Electric System Limited, Toronto Hydro Energy Services Inc., Street Lighting Co. and Toronto Hydro Corporation.

This Agreement is executed and dated **February 13, 2014**.

Signed on behalf of Toronto Hydro Street  
Lighting Inc.:

Signed on behalf of Local No. 1  
Canadian  
Union of Public Employees:

---

Anthony Haines

---

Bruno Silano

---

Toronto Hydro

---

CUPE Local No. 1

**OUTSIDE SCHEUDLE "A"**

**STREETLIGHTING**

<b><u>Pos #</u></b>	<b><u>Position Name</u></b>	<b><u>Employee</u></b>	<b><u>Employee #</u></b>
10355	Lead Hand Street Lights	Gregory Shannon	3154
10410	St. Lt. Line Service Tech.	Linden Anderson	2606
	St. Lt. Line Service Tech.	Barry Cartwright	3685
	St. Lt. Line Service Tech.	Michael Fleming	3385
	St. Lt. Line Service Tech.	Ronald Mielke	3643
	St. Lt. Line Service Tech.	Bruce Ralph	3590
10411	St. Lt. Maintainer	Alan Dawson	3069
	St. Lt. Maintainer	Gordon Mason	2223
	St. Lt. Maintainer	Stephen Mercer	3874
	St. Lt. Maintainer	Richard Seeley	3859
	St. Lt. Maintainer	Richard Smith	3976
	St. Lt. Maintainer	Chris Tolev	3855
	St. Lt. Maintainer	Kenneth Tripp	2377
10734	Cert. Power Line Person	F. Scott Smith	3179
10405	Cert. Crew Leader, Line	Ted Williams	2464

# **COLLECTIVE AGREEMENT**

**Between:**

**THE TORONTO HYDRO-ELECTRIC  
SYSTEM LIMITED**

**“The Employer”**

**-and-**

**THE SOCIETY OF ENERGY PROFESSIONALS**

**“The Society”**

**JANUARY 1, 2012**

**to**

**DECEMBER 31, 2015**

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## ARTICLE 1

### SOCIETY AND CORPORATE INTERESTS

- 1.1 The purpose of this Agreement is to maintain a harmonious relationship between Toronto Hydro-Electric System Limited and the Society of Energy Professionals and to provide amicable methods of settling differences. This relationship will ensure effective and efficient operations to meet the needs of our customers and our community.

It is the intent and purpose of the parties to set forth here the agreement between the Employer and the Society concerning rates of pay, hours of work and all other conditions of employment.

## ARTICLE 2

### RECOGNITION ARTICLE

- 2.1 The Employer recognizes the Society as the exclusive bargaining agent for a bargaining unit comprised of all professional engineers employed by Toronto Hydro-Electric System Limited, save and except supervisors and persons above the rank of supervisor.
- 2.2 **Clarity Note**  
“Professional Engineer” means an employee who is a member of the engineering profession entitled to practice in Ontario and employed in a professional capacity in the classification(s) listed in Article 27 of this Agreement.

## ARTICLE 3

### RELATIONSHIP

- 3.1 **Human Rights**  
Every employee has the right to be free of harassment and discrimination in the workplace on the basis of the prohibited grounds as set out in the *Ontario Human Rights Code*. An employee who has a harassment or discrimination complaint on the basis of these grounds has the option of proceeding through the Employer’s internal harassment procedure or with a complaint to the Ontario Human Rights Commission. Any Society represented employee who is the subject of a harassment or discrimination complaint may consult with and be accompanied by a Society representative in any internal investigation meeting into the allegations if he or she chooses to do so. No record of a complaint will be maintained in an employee’s personnel file, except in the case of individuals who have received disciplinary action. Any person covered by this Collective Agreement, against whom a formal complaint is filed, must be given particulars of the complaint.



- 3.2 The Employer and the Society agree that they shall not discriminate against an employee on the basis of membership or activity in the Society. An employee who has a complaint of such discrimination shall have the right to seek redress under the Grievance and Arbitration procedure.

## **ARTICLE 4**

### **MANAGEMENT FUNCTION**

- 4.1 The Society recognizes and acknowledges that the management of the Employer and direction of the working forces are fixed exclusively in the Employer and without restricting the generality of the foregoing, the Society acknowledges that it is the exclusive function of the Employer to:
- a) maintain order, discipline and efficiency;
  - b) hire, retire, assign, direct, promote, demote, classify, layoff and recall employees subject to the provisions of this agreement;
  - c) suspend, discharge or otherwise discipline employees for just cause except for probationary employees who may be discharged on a lesser standard than just cause;
  - d) determine the nature and kind of business conducted by the Employer, the methods and techniques of work, the schedules of work, number of personnel to be employed, to make studies of and to institute changes in jobs and job assignments, the extension, limitation, curtailment or cessation of operations and to determine all other functions and prerogatives here before invested in and exercised by the Employer which shall remain solely with the Employer;
  - e) make and enforce and alter from time to time reasonable rules and regulations to be observed by the employees;
  - f) have the sole and exclusive jurisdiction over all operations, buildings, facilities and equipment.
- 4.2 The Employer agrees to exercise these functions in a reasonable manner consistent with the provisions of the Collective Agreement.

## **ARTICLE 5**

### **EMPLOYEE CLASSIFICATIONS**

**5.1 Probationary Employees**

An employee will be considered on probation for the first six (6) months work. After six (6) months work his/her seniority shall date back to the day on which his/her employment began.

5.2 A regular employee is an employee who has successfully served the required probationary term.

## **ARTICLE 6**

### **NO STRIKE / NO LOCKOUT**

6.1 The Society, employees within the scope of the bargaining unit, and the Employer, are pledged to the effective and efficient operation of the Employer, and they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production during the term of this collective agreement.

6.2 In the event of a strike or lockout between the Employer and CUPE Local 1, it is understood that no member of the Society bargaining unit shall be required to perform any work that would normally be performed by members of CUPE Local 1.

## **ARTICLE 7**

### **SOCIETY MEMBERSHIP AND DUES DEDUCTION**

**7.1 Dues Deduction**

Society dues, as prescribed by the Society Constitution, or an equivalent amount, shall be deducted bi-weekly by the Employer by compulsory payroll deductions from all Society-represented employees, and shall be forwarded to the Society on their behalf with a list showing from whom the deductions are made.

7.2 The Employer will supply the Society with a list of the employee's names, addresses and telephone numbers (unless an employee advises otherwise) on a computer disk using compatible software annually.

7.3 The Employer shall supply to each employee receipts on the income tax T4 slips in the amount of the Society dues paid by each member of the bargaining unit in the previous year.

- 7.4 All members of the bargaining unit shall be paid bi-weekly by direct deposit according to earnings. The rate of pay to which each employee covered by the terms of this agreement shall be entitled to is in accordance with his or her classification and wage rates set out in Article 27 of this agreement. On each pay day, each employee shall be provided with an itemized statement of wages and deductions.

## **ARTICLE 8**

### **RELEASE OF SOCIETY REPRESENTATIVES**

- 8.1 In order to provide an orderly procedure for the settling of grievances, the Employer acknowledges the right of the Society to appoint or otherwise select **three (3)** delegates, whose duties shall include assisting employees in preparing and presenting grievances in accordance with the grievance procedure. A Society delegate will be granted reasonable time off from normal duties and have normal base earnings maintained while acting as a delegate in any of the steps of the grievance procedure.
- 8.2 The Employer acknowledges the right of the Society to appoint or select a negotiating committee of not more than two (2) employees covered by the Collective Agreement for the purpose of negotiating a renewal Agreement. The Society shall keep the Employer notified in writing of the names of the current delegates and members of the negotiating committee.
- 8.3 The Employer agrees that a Society representative's participation in any of the joint processes under this Collective Agreement will not impact on the employee's performance appraisal.
- 8.4 The employees constituting the Society negotiating committee shall be given time off during working hours without loss of pay or seniority while actually attending such negotiation meetings with the Employer, and without the payment of overtime. The Employer will provide a maximum of three (3) days with pay, for up to two (2) members of the negotiating committee, to be used for contract negotiation preparation time.
- 8.5 Up to two (2) Society Delegates will be permitted a combined total of eight (8) days per contract year without pay to attend Society meetings.
- 8.6 **New Member Interview**  
The Employer agrees that within four (4) weeks of date of hire the Society will be provided with the opportunity to meet with new employees, for a period not to exceed thirty (30) minutes, for the purpose of acquainting the new employee with the benefits and duties of Society membership. The cost of Society representation will be at the Society's expense.

## ARTICLE 9

### COMPLAINT AND GRIEVANCE / ARBITRATION PROCEDURE

#### 9.1 **Preamble and Principles of Operation**

The following procedure for dispute resolution consists of three elements: a complaint process, a grievance procedure and an arbitration process. These processes will be used by the Parties in order to resolve complaints and grievances. For the purpose of this Article, reference to “days” relating to Steps in the grievance and arbitration procedure shall exclude Saturdays, Sundays and paid holidays.

9.2 The grievance procedure shall proceed without unnecessary delay. Except by mutual agreement, time limits for initiating a complaint/grievance should be adhered to.

#### 9.3 **Employee Complaint**

It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible. If an employee has a complaint he/she shall discuss it with his/her immediate supervisor within ten (10) days after the circumstances giving rise to the complaint have occurred or ought to have reasonably come to the attention of the employee. The supervisor shall give his/her response to the complaint within five (5) days. These discussions and response shall not establish precedent. Failing settlement or failing a response, a complaint arising from a breach of the Collective Agreement may be taken up as a grievance in the following manner and sequence:

#### 9.4 **Step 1 of Grievance Process**

- a) Failing informal resolution of the complaint, the Society must file an employee grievance at Step 1 within ten (10) days of the Supervisor’s decision. The grievance shall be filed in writing from the Society’s grievance representative to the Manager of the Department or the VP Human Resources.
- b) The Manager of the Department and the local Society representative will meet to attempt resolution within ten (10) days of the date that the grievance is filed. Where mutually agreeable, the employee may attend the Step 1 meeting. Any resolution at Step 1 will be without prejudice and will not constitute a precedent in any other matter between the Parties except by written agreement.
- c) The Society may initiate an employee grievance arising from disciplinary suspension or discharge directly at Step 2.

#### 9.5 **Step 2 of Grievance Process**

- a) Failing resolution at Step 1, the Society may file an employee grievance at Step 2 within ten (10) days of the Step 1 meeting. Policy and Group grievances shall be initiated at Step 2. A grievance must be filed in writing to the V.P. Human Resources.

- b) Prior to a 2<sup>nd</sup> Step grievance meeting, the Parties will use their best efforts to identify the issue(s), the basis of the grievance and areas of agreement and disagreement.
- c) Within ten (10) days of the date of the Step 2 letter, a meeting will be held between the Vice President of the affected business unit, the Vice President, Human Resources or their designate, the local Society delegate, and a Staff Officer of the Society. Where mutually agreeable, the employee may attend the Step 2 meeting.

**9.6 Settlement**

A grievance submitted to Step 2 may be resolved by written agreement of the Employer and the Society delegate, or designate. Such resolution shall be final and binding on the Parties.

**9.7 Grievance Arbitration**

Failing settlement under the foregoing procedure of any grievance between the parties arising from the interpretation, application, administration or alleged violation of this agreement, including any question as to whether a matter is arbitrable, such grievance may be submitted to arbitration as hereinafter provided.

- 9.8 Where no written answer has been given within the time limit specified, the grievance may be submitted to the next step of the foregoing procedure, including arbitration.
- 9.9 No adjustment effected under the grievance or arbitration procedure shall be made retroactive prior to the date that the grievance was formally discussed or presented to the Employer or, if applicable, the date of the alleged violation, providing it does not exceed the time limits set out in section 9.3 above.
- 9.10 When either party requests that any matter be submitted to arbitration as provided in the foregoing article, it shall make such request in writing within 20 days of the Step 2 meeting, addressed to the other party to this Agreement, and the Employer and the Society will mutually agree upon a single arbitrator.
- 9.11 The arbitrator shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify, add to or amend any part of this Agreement.
- 9.12 The arbitration proceedings will be expedited by the parties hereto and the decision of the Arbitrator will be final and binding upon the parties hereto and the employee or employees concerned.
- 9.13 Each of the parties hereto will share equally the expenses, if any, of the arbitrator.
- 9.14 The parties acknowledge that the time limits set out in both the grievance and arbitration procedures should be complied with except by written agreement to extend them.

## **ARTICLE 10**

### **SOCIETY / MANAGEMENT COMMITTEE**

- 10.1 The Society and the Employer recognize that effective labour relations depend on the co-operation and good communications between the parties. They will meet quarterly or as required and the meeting may be initiated by either party, subject to an agenda to resolve issues of common concern. This consultative committee will operate in an open forum in which the free exchange of ideas will encourage understanding and lead to the resolution of issues. The Employer and the Society agree that their senior representatives will meet to discuss matters of mutual interest, together with a secretary appointed by the Employer. Accordingly, the Committee shall have no authority to change, delete, or modify any terms of the Collective Agreement nor to settle grievances. It is the intention of the parties that this Committee will work towards improving relations between the parties and the employees they represent. Minutes shall be recorded and a copy sent to the Society within ten (10) working days of the meeting.
- 10.2 The Committee will consist of two (2) members of Management and two (2) members from the Society. Each party may bring one (1) "subject matter expert" to the meeting, depending on the issues to be discussed. Agenda items will be exchanged, in writing, five (5) working days prior to the requested meeting. Agenda shall mean new or unfinished business. The Society representatives in attendance shall be permitted to remain away from work for the remainder of the day. Time absent from work will be at the Employer's expense.

## **ARTICLE 11**

### **JOB POSTING**

- 11.1 **Intent**  
To provide open, fair access to career opportunities for employees in the bargaining unit.
- 11.2 Members of the bargaining unit will be afforded priority consideration for all vacancies in the Engineering Specialist position prior to external advertisement. Internal applicants will be considered on the basis of most qualified. Should two employees have relatively equal qualifications, seniority shall govern.
- 11.3 Employees selected to a position outside the bargaining unit shall be subject to a three-month (3) probationary period. At any time prior to the expiration of the three-month (3) period, the Employer may return the employee to their previous bargaining unit position without posting for a vacancy, should it determine that the employee cannot meet the requirements of the new position.

## **ARTICLE 12**

### **LAYOFF AND RECALL**

- 12.1 Layoff shall mean unemployment due to work shortage.
- 12.2 Both parties recognize that job security shall increase in proportion to length of service. Therefore, in the event of a layoff, employees shall normally be laid off in reverse order of seniority.
- 12.3 Employees shall be recalled in order of seniority, provided that they are qualified, or qualifiable in a reasonable period of time, to perform the work that remains. No new employee shall be hired until those employees on recall have been provided an opportunity of recall.

## **ARTICLE 13**

### **TEMPORARY TRANSFER**

- 13.1 There may be instances when employees are temporarily removed from their normal duties to perform work outside of the Society's bargaining unit. Any temporary transfer that is to extend beyond three (3) months shall be posted in the workplace and all employees in the bargaining unit shall be allowed to apply. Any temporary transfer of less than three (3) months may be filled at the Employer's discretion by bargaining unit employees in the department.
- 13.2 Where a Society-represented employee is stepped up on a temporary basis to a Supervisory position outside the bargaining unit, the employee shall receive an increase to their base wage rate commensurate with the duties and responsibilities of the temporary assignment. The increase will be 4% above their rate of pay, but will not exceed the maximum rate of the temporary position.

## **ARTICLE 14**

### **PREGNANCY / ADOPTION / PARENTAL / FAMILY MEDICAL LEAVE**

- 14.1 **Provision of Leave**  
Pregnancy, Parental and Family Medical Leaves will be granted to employees under the terms of the Employment Standards Act of Ontario.

Pregnancy Leave shall be granted for up to seventeen (17) weeks in duration and may begin no earlier than seventeen (17) weeks before the expected birth date.

Parental Leave shall be granted for up to thirty-five (35) weeks in duration for an employee taking pregnancy leave and shall, in all cases, be taken when her pregnancy leave ends unless the child has not yet come into her custody, care and control for the first time.

Parental Leave, which includes adoption leave, shall be granted for up to thirty-seven (37) weeks in duration for employees not taking pregnancy leave and shall, in all cases, begin no later than fifty-two (52) weeks after the day the child is born or comes into the parent's custody, care and control for the first time.

### **Protection of Benefits**

During a Pregnancy or Adoption Leave the Employer shall pay the full cost of the employee's medical, hospital and insurance coverage and the Employer's portion of the employee's pension plan coverage if the employee elects at the commencement of the leave to pay the employee portion of such costs.

During a Parental or Family Medical Leave the Employer shall continue to pay the full cost of the employee's medical and hospital coverage and the Employer's portion of the employee's pension plan coverage and insurance coverage if the employee elects at the commencement of the leave to pay the employee portion of the costs. Seniority, for all purposes, shall accrue during the period of Pregnancy, Adoption, Family Medical or Parental Leave.

#### **14.2 Wage Top-Up for Pregnancy Leave**

In the case of a Pregnancy Leave, the Employer will provide payment equal to 95% of base pay during the two (2) week E.I. waiting period and the difference between the payments received from E.I. and 95% of the employee's normal, straight-time pay for fifty (50) weeks, subject to continued government legislation and approval.

#### **14.3 Maintenance of Wages for Adoption Leave and Parental Leave**

In the case of an Adoption Leave for the primary caregiver, who has adopted a child under six (6) years of age, who is not the natural child of either adoptive parent, or Parental Leave for the primary care giver, the Employer will provide payment equal to 95% of base pay for two (2) weeks and 95% of his/her normal, straight-time pay for up to thirty-five (35) weeks.

#### **14.4 Family Medical Leave**

In the case of a Family Medical Leave to provide compassionate care and support to the family member specified in the medical certificate, the Employer will provide payment equal to 95% of base pay during the two (2) week E.I. waiting period and the difference between the payments received from E.I. and 95% of the employee's normal, straight-time pay for six (6) weeks, subject to continued government legislation and approval.

#### **14.5 Spousal Leave at Time of Birth or Adoption**

An employee whose spouse or partner gives birth, or commences an Adoption Leave, shall be granted leave with pay and full benefits, of two (2) working days. The leave shall be taken on days chosen by the employee, at or about the time of birth or adoption.



#### **14.6 Reinstatement**

The Employer shall reinstate an employee returning to work from a Pregnancy, Adoption, Family Medical or Parental Leave in the position most recently held with the Employer, or provide the employee with alternative work of a comparable nature at not less than the employee's wages at the time the leave began, or as adjusted by any general increase, and without loss of benefits accrued to the commencement of the Leave of Absence and with full seniority.

Where a scheduled step increase occurs during the absence, the employee will receive such increase upon satisfactory demonstration of competency during a trial period of thirty (30) days, following which the increase shall be retroactive to the date the employee returned to work.

## **ARTICLE 15**

### **SENIORITY**

15.1 Seniority in this agreement shall be defined as the employee's length of service with the Employer.

15.2 An employee shall not lose her/his seniority standing if s/he is absent from work because of sickness, accident or leave of absence approved by the Employer.

## **ARTICLE 16**

### **BEREAVEMENT LEAVE**

16.1 In the event of a death in the immediate family, an employee will be granted up to five (5) consecutive working days leave of absence. Such leave shall be without loss of pay from average hourly earnings. Immediate family shall mean spouse, child, father, and mother. Where the term spouse is used in this article, it shall include common-law spouse.

16.2 In the event of a death of a grandparent, grandchild, father-in-law, mother-in-law, brother, sister, an employee shall be granted up to three (3) consecutive working days leave of absence. Such leave shall be without loss of pay from average hourly earnings.

16.3 In the event of a death of a brother-in-law, sister-in-law, son-in-law or daughter-in-law, an employee shall be granted the day of the funeral to be absent. Such leave shall be without loss of pay from average hourly earnings.

16.4 An extension of time in any of the situations discussed above will be considered, in abnormal circumstances or where significant travel is involved. Such extension may be taken either without pay, or be paid from the employee's vacation bank, at the discretion of the employee.

- 16.5 When an employee is on vacation or sick leave and the death of a relative as listed in 16.1 or 16.2 above occurs, that portion of the employee's time resulting from the bereavement and in accordance with the provisions of this Article, shall be changed from vacation or sick leave to bereavement leave. The employee is required to notify her/his department immediately on receipt of notification of a death.

## **ARTICLE 17**

### **JURY DUTY / REQUIRED ATTENDANCE AT COURT**

- 17.1 For the duration of the Jury Duty, or required attendance at an Inquest or court, the employee's normal base earnings and benefits will be maintained. The employee is responsible for informing his/her supervisor as to the probable duration of the jury duty. Upon return to work the employee shall refund any jury or witness fees received and provide the Employer with a Certificate of Service signed by the Clerk of the Court showing the amount of said fee received. It is agreed that this provision does not apply to arbitration or Ontario Labour Relations Board proceedings.

## **ARTICLE 18**

### **PUBLIC HOLIDAYS AND FLOATING HOLIDAYS**

- 18.1 The following days are recognized as Public holidays by the Employer:

New Year's Day	Civic Holiday
Family Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Christmas Day
Victoria Day	Boxing Day
Canada Day	

- 18.2 Each regular employee shall be entitled to an additional three (3) floating holidays with pay during the calendar year and such days shall be mutually agreed to by the Supervisor and the employee. An employee request to take such holiday on Remembrance Day will be granted. These days may be taken in half days.
- 18.3 The Employer reserves the right to designate one of the additional days by December 1<sup>st</sup> of the previous year.
- 18.4 When Christmas, New Year's Day or July 1<sup>st</sup> fall on a Saturday or Sunday, the following Monday shall be observed as the Public Holiday. When Christmas falls on a Saturday or Sunday, the following Tuesday shall be observed as the Boxing Day Public Holiday. When Christmas falls on a Friday, the following Monday shall be observed as the Boxing Day Public Holiday.

- 18.5 It is understood and agreed that employees are not entitled to pay for the holiday as set out above when they are absent without pay on either the work day before or the work day after the Holiday, except in cases of employees absent on Society business.
- 18.6 When a Public Holiday occurs during a vacation period, that day shall be charged to "Public Holiday" and not to employee's vacation time.

## **ARTICLE 19**

### **VACATION**

- 19.1 During the calendar year of their hire, new employees shall be entitled to one (1) day of paid vacation per month, up to a maximum of ten (10) days.
- 19.2 In and from the calendar year following date of hire, employees are entitled to fifteen (15) working days of vacation.
- 19.3 In and from calendar year in which is completed six (6) years of employment service, twenty (20) working days of vacation.
- 19.4 In and from the calendar year in which is completed fifteen (15) years of employment service, twenty-five (25) working days of vacation.
- 19.5 In and from the calendar year in which is completed twenty-five (25) years of employment service, thirty (30) working days of vacation.
- 19.6 An employee shall be allowed to carry over any portion of one year's vacation. Vacation arranged as carry-over is paid at the rate and under conditions applicable when vacation is taken.
- 19.7 Sick leave may be substituted for vacation where the employee has established that a serious illness or serious injury due to accident occurred while on vacation.
- 19.8 When employment is terminated other than in the year of normal retirement and vacation taken has exceeded the vacation credit, the overpayment shall be recovered by the Employer.
- 19.9 In the year of retirement, the full year's vacation is allowed.
- 19.10 The Employer will reply to vacation request within ten (10) working days of receipt of such request, provided that the request is made within three (3) months of the requested vacation.
- 19.11 The Employer will try to ensure that the vacation requests of employees will be accommodated, to the extent that the operations of the Department are not adversely affected. In any event, employees are guaranteed at least two weeks of vacation during July and August.

## ARTICLE 20

### HEALTH AND WELFARE

- 20.1 The Employer agrees, during the term of agreement, to maintain the current coverage for employees in the employ of the Employer under the insurance plans presently in effect subject to their respective terms and conditions including enrolment requirements. Employees granted leave of absence without pay shall reimburse the Employer the full cost of health and dental and insurance coverage for the period of the absence.
- 20.2 **Effective January 1, 2012**, all members of the bargaining unit shall be entitled to a **\$250.00** annual personal health spending account. **Effective January 1, 2015, the annual personal health care spending account shall be \$350.00.**
- 20.3 Annual Fitness Club membership subsidy up to \$750.00 per year.
- 20.4 **Medical and Hospital Services and Dental Plan**  
Equal or superior coverage to present practice, i.e. Ontario Health Insurance Commission, Plan for Supplementary Hospital Care and Extended Health Care Plan shall be continued.
- 20.5 The Extended Health Care Plan coverage for eyeglasses and/or Contact Lenses shall be \$375.00 per person covered, per 24-month period.
- 20.6 The cost of an eye exam for a two (2) year period or one (1) year period for dependent children under the age of twenty-one (21) if prescribed by a medical practitioner up to a maximum of \$80.00 per person.
- 20.7 Services of a licensed Chiropractor (including X-rays), up to a maximum of \$300 per person per year, payable only after OHIP ceases to pay any portion of the expenses.
- 20.8 Services of a licensed Osteopath, Chiropodist or Podiatrist, Registered Massage Therapist, up to a maximum of \$50.00 per visit per person, Psychologist, Naturopath, Speech Therapist and Dietician up to a maximum of \$850.00 per person per contract year, payable only after OHIP ceases to pay any portion of the expenses.
- 20.9 Medical and Hospital Services coverage will include unmarried dependent students who are in full time attendance at a recognized post-secondary institution up to age twenty-five (25).
- 20.10 In the event of death of an active Toronto Hydro employee, the surviving spouse and dependents shall continue to receive full medical and hospital services coverage for a period of two (2) years.
- 20.11 The Employer will pay the premium based on the prevailing Ontario Dental Association fee schedule necessary to provide equal or superior coverage to the present dental plan.

The Dental Plan will include orthodontic services and fixed prosthodontic (including implants) on a 50% co-insurance basis to a maximum of \$3,000 per employee and \$3,000 per family member covered once in a lifetime.

**20.12 Long Term Disability Plan**

The Employer agrees to continue an arrangement with an Insurer Licensed under the Insurance Act to provide a Long Term Disability Plan for all employees covered under the terms of this agreement.

**Benefit Schedule**

- a) An employee who is a member of the plan may become eligible for not more than the maximum Monthly benefit amount, calculated in accordance with the applicable Benefit Formula which is indicated below:

**Benefit Formula**

- b) 75% of the employee's basic monthly earnings, to a \$10,000.00 monthly benefit maximum. Amounts of employee's monthly benefit which are not integral multiples of \$1.00 are rounded to the next higher dollar.

**20.13 Accidental Death and Dismemberment**

The Employer agrees to continue an arrangement with an Insurer Licensed under the Insurance Act to provide an Accidental Death and Dismemberment Plan for all employees covered under the terms of this agreement.

**20.14 Pensions**

The Employer and all employees covered by this agreement will participate in the Ontario Municipal Employee Retirement Pension Plan (OMERS) defined benefit plan, in accordance with the applicable legislation and the terms of the Plan.

## **ARTICLE 21**

### **SICK LEAVE**

- 21.1 Employees with a sick time balance will be required to draw from those credits in the event of an illness or non-work related injury.
- 21.2 Employees who do not have a current sick bank will be advanced six (6) sick days annually that are non-cumulative and have no cash value.
- 21.3 Employees with a sick time balance who run out of sick time credits during the course of a year will be advanced one (1) sick day for every two (2) months remaining in the calendar year to a maximum of six (6) days.
- 21.4 New employees will be advanced one (1) sick day per two (2) completed months of service to a maximum of six (6) days.

- 21.5 No sick days will be advanced until current remaining sick bank is used.
- 21.6 Payment of 75% of basic earnings commences with supporting medical certification as follows: on the first day of absence due to an accident, or; on the fourth day of absence due to illness (you will use 3 sick day credits).

## **ARTICLE 22**

### **HOURS OF WORK**

- 22.1 The normal workweek for full time employees shall be five (5) days, Monday to Friday and consist of Thirty-five (35) hours per week and Seven (7) hours per day, between the hours of 7:00 a.m. and 7:00 p.m.

## **ARTICLE 23**

### **OVERTIME**

- 23.1 Overtime shall be paid to employees when specifically directed by management to work overtime to accomplish a certain task.
- 23.2 Overtime may be taken as double time for hours worked or straight time for hours worked plus the equivalent lieu time, paid at straight time.
- 23.3 Employee called out for immediate report shall be paid overtime from time of call plus half-hour to return home. Payment for returning home does not apply when the work terminates at normal stopping time.

## **ARTICLE 24**

### **DISCIPLINE AND DISCHARGE**

- 24.1 No regular employee shall be disciplined or discharged without just cause.
- 24.2 An employee is entitled, prior to the imposition of discipline or discharge, to be notified at a meeting with Management of the reasons for considering such action, unless he/she is a danger to himself/herself or others. A Society delegate will be present at such a meeting, unless the employee indicates that she/he does not desire representation.
- 24.3 In any event, in all cases the employee's Society representative shall be advised in advance by Management of the time and place of the meeting.

## **ARTICLE 25**

### **SELF-FUNDED LEAVE PLAN**

- 25.1 Toronto Hydro agrees to allow employees to participate in the Fully Funded Leave Plan. It is an employee-financed absence with leave plan to permit employees to be absent for a period of either six (6) months or one (1) year. Applications for this leave must be in writing to the Human Resources Department and be at least two (2) years in advance for the six (6) month leave and four (4) years in advance for the one (1) year leave. Approval for the leave is at the Employer's discretion. Such discretion will not be exercised unreasonably.

## **ARTICLE 26**

### **PAYMENT FOR USE OF PERSONAL VEHICLE**

- 26.1 The Employer shall provide employees who are authorized to use their own automobile on the Employer's business up to \$300.00 per contract year to cover the difference in insurance premium cost between pleasure and business driving. Employees are required to maintain a minimum of \$1,000,000 Public Liability and Property Damage Coverage.
- 26.2 Employees shall be reimbursed \$0.46 per kilometre for all kilometres travelled while on the Employer's business. Conversion factor is 1 mile=1.6 kilometres. The rate per kilometre is related to changes in the Private Transportation Index (P.T.I.) component of the Consumer Price Index of Canada (1992 = 100). The P.T.I. base figure is 125.5 points (January 31, 1999) and for each 11.9 points increased an additional one (1) cent per kilometre shall be paid. The effective date for changes in the rate will be the first month following the month in which the index is published.

## ARTICLE 27

### CLASSIFICATIONS AND RATES OF PAY

27.1 The classification and wage rate for employees in the bargaining unit are as follows:

Engineer	Jan 1, 2012 (1.5)	Jan 1, 2013(1.75)	Jan 1, 2014 (2.0)	Jan 1, 2015 (2.0)
Step 1	78675	80052	81653	83286
Step 2	83919	85388	87096	88838
Step 3	89164	90724	92538	94389
Step 4	94408	96060	97981	99941
Step 5	99655	101399	103427	105496
Step 6	104899	106735	108870	111047

Engineering Specialist	111070	113014	115274	117580
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Employees being paid at a rate below the full competency rate will progress towards the rate on a step per **calendar** year basis **on January 1<sup>st</sup>** if their performance is rated satisfactory by the Employer **during the preceding calendar year**. Employees who exceed performance expectations may progress more rapidly.

Any employee paid above the maximum rate shall receive an increase equal to one half of the scheduled increase in each year of the Collective Agreement, until such time as the employee's salary level corresponds to the maximum rate.

27.2 **Employer's Variable Performance Pay Program**

Employees in the bargaining unit shall continue to participate in the Employer's existing Variable Performance Pay Program. An 8% Performance Pay maximum shall be in effect for the **2012, 2013, 2014 and 2015** performance years, paid out in early **2013, 2014, 2015, and 2016** respectively.

## ARTICLE 28

### SAFETY EQUIPMENT AND SAFETY SHOES

28.1 The Employer will supply the necessary safety equipment including safety shoes and work clothing to protect employees, at no cost to the employee. Employees will receive such equipment that is necessary in the normal performance of their duties.



## **ARTICLE 29**

### **MEAL ALLOWANCE**

- 29.1 Effective **January 1, 2012** the meal allowance shall be \$14.00.
- a) Employee continuing working past her/his normal stop time on authorized overtime, circumstances permitting, shall eat her/his first meal at normal stop time and at intervals thereafter of four (4) hours. Meals shall be calculated from normal stop time. The employee must work two (2) hours past her/his last meal period to be paid for same.
  - b) Employee called back for emergency work of three (3) hours or more and at intervals thereafter of not less than four (4) hours until released.
  - c) Employee working pre-arranged overtime on her/his regular day off more than eight (8) hours and at intervals thereafter of not less than four (4) hours until released.
  - d) There shall be no loss of time when meals provided above are taken. It is understood that responsibility for length of meal rests with the supervisor.

## **ARTICLE 30**

### **STANDBY**

- 30.1 Standby is compensation for employees who are required to be available for work outside of normal business hours. Employees so designated will be expected to report to work within a reasonable time as specified by the Employer. Standby duties shall be rotated equitably as practicable amongst qualified employees. Standby will be paid at three (3) hours straight time pay per weekend day or paid holiday in that week, and one and one half (1.5) hours straight time pay per weekday.

## **ARTICLE 31**

### **PROFESSIONAL FEES AND DRIVER'S LICENCE FEE**

- 31.1 The Employer shall reimburse the full cost of the annual renewal for the Professional Engineers Ontario licensing fee for each member of the bargaining unit.
- 31.2 **The Employer shall reimburse the employee for the cost of an Ontario Class G Driver's License as required to perform their duties.**

## **ARTICLE 32**

### **HEALTH AND SAFETY**

- 32.1 Employees represented by the Society are entitled to exercise their rights, and are expected to fulfil their responsibilities, as workers under the Occupational Health and Safety Act.
- 32.2 The Employer agrees to discuss new or revised health and safety policies and procedures that directly affect the health and safety of employees represented by the Society with the Society. The Society will be given a reasonable amount of time to comment prior to implementation. It is agreed, however, that the Employer has the right to implement new or revised health and safety policies and procedures immediately, where necessary to satisfy its health and safety responsibilities. In the event of immediate implementation, the policy or procedure will be discussed with the Society as soon as it practically can be, following implementation.

## **ARTICLE 33**

### **JOB SECURITY**

- 33.1 In the event that an employee's work is eliminated directly relating to contracting out by the Employer, the employee will be occupied in other engineering work as determined by the Employer.

## **ARTICLE 34**

### **PERFORMANCE CONTRACT**

- 34.1 The performance contract process shall be conducted according to the terms of the Performance Management Process.
- 34.2 Employees disagreeing with their Performance Contract may refer it to the Grievance Procedure.

## ARTICLE 35

### COLA

- 35.1 The following Cost of Living Escalator Clause is to be operative in calendar year **2014** and for all subsequent calendar years during the term of the Collective Agreement.

The following Cost of Living Escalator clause shall be applicable to all employees covered by the Agreement and shall provide for an adjustment of wages upwards or downwards of 1% for each full 1% change in the Statistics Canada Consumer Price Index for Toronto (1992 = 100). The Index Figure published in December **2013** will be the base for calculating any adjustments in **2014**, and will only come into effect if CPI exceeds the **2%** base pay increase by 1% or greater. This shall be made effective commencing the first payroll period following the publication date in the month in which the Consumer Price Index is published. Adjustments thereafter will be made in a similar manner every two (2) months. No adjustment upward or downward shall be made if the change in the Consumer Price Index for Toronto is less than 1%.

No downward adjustment shall be made to reduce wages below the level paid in the first month of the third year of the Agreement because of changes in the Consumer Price Index for Toronto.

## ARTICLE 36

### DURATION

- 36.1 This Agreement shall continue in effect from **January 1, 2012 to December 31, 2015** unless either party notifies the other in writing not less than sixty (60) days and not more than ninety (90) days prior to the expiration date of its desire to amend or terminate the Agreement.

If notice of amendment or termination is given by either party in accordance with above, the parties agree to meet for the purpose of negotiations within fifteen (15) days following receipt of such notification or such further period of time as may be agreed upon.

- 36.2 Retroactive to **January 1, 2012**, there will be a general increase of **1.5%**; effective **January 1, 2013**, there will be a general increase of **1.75%**; effective **January 1, 2014**, there will be a general increase of **2.0%**; and effective **January 1, 2015**, there will be a general increase of **2.0%**. The adjustment to wages shall apply to all employees on the payroll in the bargaining unit.

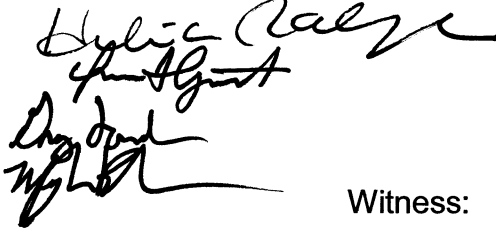
- 36.3 **Printing of the Agreement**

Printing of this Agreement is at the Employer's expense and the Union will be supplied with a sufficient quantity for distribution to the members of the bargaining unit.

- 36.4 This Agreement is executed and delivered this **31st day of May, 2012**.

Signed on behalf of Toronto Hydro:

Helia Ralph  
Thor Hjartarson  
Greg London  
Meg Bolohan

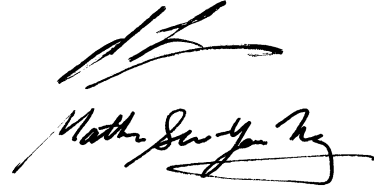
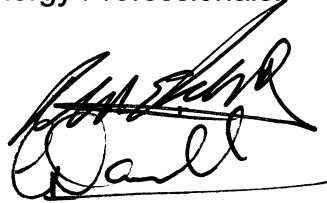


Witness:



Signed on behalf of the Society of Energy Professionals:

Joseph Lesperance  
Ben Sheng  
Geetha Daniell  
Mathias Ng



Witness:

**Letter of Intent #1 - Revised**

**May 30, 2006**

**Mr. Terry Fitzpatrick  
Society Staff Officer  
The Society of Energy Professionals  
425 Bloor Street, E. Suite 300  
Toronto, Ontario  
M4W 3R4**

**Dear Mr. Fitzpatrick,**

**Re: Professional Development for the Society of Energy Professionals**

**This letter confirms our discussions at negotiations regarding the Professional Development Program for the Engineers.**

**It is agreed that the final version of the Professional Development Program be signed by the parties, communicated and rolled-out to the employees of the Bargaining Unit within a period of 90-days from the ratification of this Collective Agreement.**

**Yours truly,**

A handwritten signature in black ink, appearing to read "Ave Lethbridge", with a stylized flourish at the end.

**Ave Lethbridge,  
Vice-President, Organizational Effectiveness**

## Letter of Intent #2

November 21, 2001

Mr. Terry Fitzpatrick  
Staff Officer  
The Society of Energy Professionals  
525 University Avenue  
Suite 630  
Toronto, ON  
M5G 2L3

Dear Mr. Fitzpatrick,

**Re: Lateral Transfers**

This letter confirms our discussions at negotiations regarding Lateral Transfers within the bargaining Unit.

The Employer recognizes the importance of affording the Engineers an opportunity to expand their knowledge in core, technical and business competencies to support the electrical utility business needs through assignments in different work areas of the utility.

When a long-term need arises for an Engineer, or when the Employer advertises for an Engineer position, the parties will convene a Society/Management committee meeting to discuss whether lateral transfers are appropriate. The Committee will consider the following factors in determining whether a lateral transfer is appropriate and in selecting an Engineer for transfer:

1. The interest expressed by individual Engineers in moving to a new assignment.
2. An assessment of individual skill gaps and required professional development.
3. An assessment of the impact of the transfer on business continuity.

The Committee will try to reach consensus on whether a lateral transfer is appropriate and in selecting an Engineer for transfer. Failing consensus, the Employer may make the final determination.

Notwithstanding the above, the Employer reserves the right to assign Engineers to different areas to meet operational needs.

  
David Scott

Vice-President, Human Resources

Letter of Intent #3

June 25, 2003

Mr. Terry Fitzpatrick  
Society Staff Officer  
Society of Energy Professionals  
425 Bloor Street, E. Suite 300  
Toronto, Ontario  
M4W 3R4

Dear Mr. Fitzpatrick,

**Re: Society Membership**

This will confirm our discussions at negotiations concerning employees covered under the Collective Agreement. The Company acknowledges that any existing Society members transferred into the Information Technology Division, in a position requiring a "Professional Engineer" as defined in Section 1 (1) of the Act, will retain their Society membership.

Yours Truly,

A handwritten signature in black ink, appearing to read "David Scott", with a stylized flourish at the end.

David Scott,  
Vice-President, Human Resources

**LETTER OF INTENT #4**

June 25, 2003

Mr. Terry Fitzpatrick  
Society Staff Officer  
Society of Energy Professionals  
425 Bloor Street, E. Suite 300  
Toronto, Ontario  
M4W 3R4

Dear Mr. Fitzpatrick,

**Re: Toronto Hydro's Post Retirement Benefits Program**

This is to confirm our discussions at negotiations concerning retiree benefits.

*T.F. May 30/06 JF May 30/06*

It is agreed that for the Society Bargaining Unit, ~~all~~ employees of Toronto Hydro who retire and receive a pension, on or after ratification of this agreement, shall be entitled to receive Toronto Hydro's Post Retirement Benefits Program dated April, 2000 with the following amendments:

- Schedule A will be extended to December 31, 2020.
- Upon death of retiree, the surviving spouse will continue to receive the same medical and hospital service coverage.
- For greater clarity, this is to confirm that the lifetime maximum caps for both Health and Dental benefits for Schedule A and Schedule B are removed and the Schedule C will continue.

Yours truly,

David Scott,  
Vice-President, Human Resources



## LETTER OF INTENT #5

March 28, 2012

Joseph Lesperance  
Staff Representative  
Society of Energy Professionals  
300-425 Bloor Street East  
Toronto, Ontario  
M4W 3R4

Joseph,

Further to our discussions at Collective Bargaining on March 28, 2012, this is to confirm our agreement that where a delegate takes one or more days off to attend Society Meetings, as provided for in Article 8.5 of the Collective Agreement, and this would result in broken service for OMERS purposes, the Company will pay the Society delegate his or her cost of wages and benefits and the Society will reimburse the Company for the whole cost of wages and benefits by the 15<sup>th</sup> day of the following month.

Sincerely,

A handwritten signature in black ink, appearing to read 'Helia Ralph', with a stylized, flowing script.

Helia Ralph  
Manager, Employee Labour Relations

## **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

**INTERROGATORY 43:**

**Reference(s):**           **Exhibit 4A, Tab 2, Schedule 15**

Please provide a summary of all internal audit findings, recommendations, and follow-up actions, since 2011.

**RESPONSE:**

Please find attached copies of the quarterly presentations made to the Audit Committee with respect to internal audit findings, in accordance with Toronto Hydro's corporate governance processes, as detailed in Exhibit 1C, Tab 2, Schedule 1.

Audit reports issued prior to November 2012, contained "Internal Audit Recommendations". Audit reports issued after November 2012 have a Management Action Plan instead of a Recommendation. The Management Action Plan is developed by management and its progress is monitored by Internal Audit on a quarterly basis. When a Management Action Plan is completed, Internal Audit tests the new process/procedure to ensure that it is working effectively, as designed. If it passes this test, the observation is then officially "closed".

The format of the Audit Committee presentation changed in February 2013 to reflect consensus among Management and the Audit Committee that the Audit Committee should focus on higher risk areas. Since February, 2013 the Audit Committee receives a quarterly update on all observations that are older than a year and a summary of any observations that were classified as "high" risk during the audit. High risk observations

## **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

- 1 are those that could impede Toronto Hydro from meeting its corporate objectives within a
- 2 12-month period.

# Internal Audit Department

Summary of Q1, 2011 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on May 17, 2011

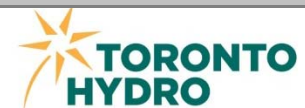


# 1. Quarter-end Status Highlights

ICFR / Process	2011	2010				2009	
	Q1*	Q4	Q3	Q2	Q1	Q4	Q3
Gaps Closed	15 (10 ICFR)	12 (3 ICFR)	3 (1 ICFR)	34 (15 ICFR)	5 (2 ICFR)	26 (17 ICFR)	22 (18 ICFR)
Gap Status	Good	Good	Good	Good	Good	Good	Good
Internal Audit Reports Issued	6	2	1	4	6	6	6
Gaps outstanding at Quarter-End	14 (2H, 8M, 4L)	7 (1H, 4M, 2L)	14 (2H, 7M, 5L)	16 (1H, 8M, 7L)	17 (3H, 6M, 8L)	15 (2H, 7M, 6L)	24 (3H, 8M, 13L)

\* Includes reports issued & gaps closed to May 10, 2011

Advisory	
Customer Information System Project	} Participate in regular meetings
Enterprise Risk Management	



## 2. Summary of Remediation Activities March 31, 2011

Departments	Gaps Outstanding December 31, 2010	New Gaps	Remediated Gaps	Gaps Outstanding March 31, 2011 (incl. reports issued & gaps closed to May 10, 2011)
Operations	2	5	4	3
Customer Services	1	0	0	1
Organizational Effectiveness & EHS	1	0	0	1
Finance and Regulatory Affairs	0	2	1	1
IT & S	2	15	10	7
Governance	1	0	0	1
<b>Total</b>	<b>7</b>	<b>22</b>	<b>15</b>	<b>14</b>



### 3. Gaps Aging – March 31, 2011

Departments	Gaps Identified			Gaps Outstanding March 31, 2011 (incl. reports issued & gaps closed to May 10, 2011)	Gaps That are Past Due Management's Target Completion Date
	(Period)				
	Less Than 6 Months	6 Months to 1 Year	More Than 1 Year		
Operations	1	1	1 (Gap #3)	3	
Customer Services	0	0	1 (Gap #1)	1	
Organizational Effectiveness & EHS	0	1	0	1	
Finance and Regulatory Affairs	1	0	0	1	
IT & S	7	0	0	7	
Governance	0	0	1 (Low)	1	
Total	9	2	3	14	0

Note: Gaps aging is based on the date the gap is assigned to the process owner. Internal Audit agrees that management is acting appropriately to close gaps as quickly as possible.



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

### Outstanding Gaps Ranked “High” (2):

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
1.	<p>We found no contract and/or Service Level Agreement (SLA) between THESL and Utilismart who collect meter reads for over 500 commercial meters. As the outsourced provider, we rely on Utilismart’s processes to ensure accuracy and integrity of the data. These Smart Synch meter reads are collected by Utilismart’s Transaction Management System (TMS).</p> <p>THESL plans to continue using Utilismart as a service provider for commercial SmartSynch meter reads until TMS is eventually implemented “in-house.” But until TMS is implemented at THESL, the number of SmartSynch meter reads provided by Utilismart will increase substantially in the next few years. For 2009, the estimated revenue from SmartSynch meters is \$100 million.</p> <p>(09-MOT-01)</p>	<p>Establish business contract and/or Service Level Agreement (SLA) with vendors (i.e. Utilismart) and monitor service per SLA requirements. An appropriate SLA would ensure accuracy, completeness and timeliness of meter data delivery.</p> <p>Or, as an alternative, implement TMS at THESL and bring the SmartSynch Meter Reading process “in-house” as soon as possible.</p>	<p>The anticipated date to bring TMS “in-house” depends on the CC&amp;B go-live date. We expect to bring this live within 4 to 6 months after CC&amp;B goes live.</p> <p>Since the meters read by Utilismart are processed through our MV90 and MVSTAR systems and are subject to the same VEE services as the other RIMS meters, <b>management believes adequate compensating controls are in place to ensure data quality (management does not believe this Gap is a high risk).</b></p> <p>Furthermore, monthly load analysis is performed at a high level to ensure the consumption THESL pays to the IESO matches the consumption billed to customers, less line losses.</p>	High	ICFR	VP, Customer Services	<p>30-Jun10</p> <p>New date:</p> <p>31-Dec-10</p> <p>New date:</p> <p>31-Dec-11</p>	Remediation in Progress

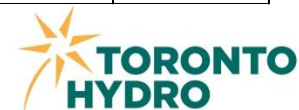




# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
2.	<p>A consistent process does not exist for granting and removing network access privileges for users who have left the company or whose business role has changed (transfers). In addition, there is no consistent process to inform/request the help desk to modify/remove the user's previous network access. Also, users' network access is not updated / removed in a timely manner.</p> <p>Students or Contractor IDs were not set-up to 'auto expire' after a certain date. The periodic review of network accounts did not highlight these accounts as these were under the 90 day inactivity threshold.</p> <p>This gap has been noted every year since 2007 and was closed early in 2010 when the Identity Access Management (IAM) initiative was implemented. However, within a few months after the IAM initiative, the solution encountered problems and this gap was re-opened.</p> <p>As of October 30, 2010, a final cost of \$6.1M was estimated for the Identity Access Management (IAM) initiative, as part of the overall IT Security Program to help resolve this issue. This project was expected to last 3 years (2008-2010) and was executed as 6 separate projects. To date, these exceptions continue to exist.</p> <p>There is a risk of users obtaining access not compatible with their business role and an increased likelihood of unauthorized access if user IDs are not removed in a timely manner. THC's Cyber Security Policy requires user access/rights to information, processing facilities and various Toronto Hydro locations be removed immediately on termination of employment/contract, or be adjusted for any change in employment or status.</p> <p><b>This gap was identified in 2007-2010</b></p> <p>(11-ITGC-01)</p>	<p>Develop and implement a process to ensure that access changes resulting from internal transfers / terminations are implemented in a timely manner. The long term viability of the IAM initiative should be investigated since these exceptions continue to exist regardless of the expenditures made to address the issues.</p> <p>Management should consider implementing the network's 'auto expire' control for students and contractors.</p>	<p>IT&amp;S and OE &amp; EHS have been meeting to discuss gaps with the on-boarding process. The outcome of these meetings should address a number of gaps including those around internal transfers and terminations.</p> <p>Students are now set-up with the 'auto expire after 90 days' option upon ID set-up.</p> <p>Outside TH workers do log into the system &amp; require System ID as per their Union Contract. Albeit the log-in may be only 2-3 times per year and exceed a 90 day idle period. <u><b>However, as their access privilege is limited, management does not believe this is a risk.</b></u></p> <p>Management is currently working on a joint effort to ensure proper communication between IT and OE &amp; EHS to reduce the number of instances where IDs are not terminated promptly. IT is also looking at developing some compensating procedures to flag IDs that are not used as expected.</p> <p>Management agrees that the process is not working as expected at this point. <u><b>However, considering the profile of most of the IDs expired, management does not believe this represents a high risk.</b></u></p>	High	ICFR	VP, IT & Strategy Management & VP, OE & EHS	30-Sep-11	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

### Outstanding Gaps Ranked “Medium” (8):

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Remediation Status
3.	There is no integrated master business continuity plan (BCP).  (07-CG-01)	Develop and test a business continuity plan that addresses the relocation of people, continuity of business functions and processes, includes a business impact assessment and integrates pandemic planning and recovery point objectives.	<p><b>2010</b> VP, DGM ‘rebooted’ the Emergency Preparedness Steering Committee (EPSC) on December 9, 2010. Seven VPs participate in quarterly EPSC meetings regarding Business Continuity Planning (BCP) and emergency management.</p> <p>Terms of Reference outlining the EPSC’s roles &amp; responsibilities, accountabilities &amp; functions, have been drafted for the EPSC and is awaiting final approval.</p> <p>Two Emergency Management Program Consultants were hired in Q2 and assigned responsibilities for initiating, designing and developing BCP.</p> <p>Management framework for the Emergency Management Unit (EMU) and its business continuity program was completed and is awaiting final approval.</p> <p>BCP project plan was developed / aligned with corporate project planning templates, design and reporting.</p> <p>EMU engaged IT&amp;S and Strategic Mgmt divisions to work with the business units responsible for Disaster Recovery Planning (DRP) and Risk Management respectively, where BCP would be mutually beneficial and influential.</p> <p>Various BCP tools to support the program’s lifecycle have been developed and, in some cases, tested.</p> <p>EMU is near completion on an organizational, implementation framework for BCP and will be submitting it to the EPSC for approval.</p> <p><b>2011</b> EMU plans to move BCP from a fragmented maturity state to a comprehensive maturity state within Toronto Hydro. It is projected that this transition will see:</p> <ul style="list-style-type: none"> <li>• Policies, goals and objectives clearly defined;</li> <li>• Increased awareness and adoption of the BCP process in most divisions;</li> <li>• Increased BCP coordination between business units;</li> <li>• Relevant aspects of BCP governance finalized;</li> <li>• Formalized BCP activities; and,</li> <li>• Clear accountabilities assigned.</li> </ul>	Medium	Process	VP, Distribution Grid Management	<p>31-Dec-08</p> <p>New date: 31-Dec-09</p> <p>New date: 31-Dec-11</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
4.	<p>Our review of the overall timekeeping process for TH shows that the process is fragmented and that procedures are not consistent between BUs. BUs have developed separate requirements for employees to follow and different methods to record labour hours. For instance, IT recently implemented an electronic timesheet process that is not available to other BUs. Generally, the Timekeeping process is not managed as a TH-wide process and governed by the same criteria across all BUs.</p> <p>In addition, our review of timesheets produced from the electronic timekeeping process recently implemented by IT, showed the following deficiencies:</p> <ul style="list-style-type: none"> <li>No differentiation between standard hours and overtime/extended hours (which need to be tracked for employees and consultants).</li> <li>No employee name.</li> <li>No labour codes.</li> <li>No information regarding the type of overtime (i.e. planned, extended shift, emergency).</li> <li>No documentation showing approval.</li> </ul> <p>(10-TMK-05)</p>	<p>Timekeeping is a key process that should be a centralized function for the entire company, where requirements and criteria are developed by subject matter experts with diverse areas of expertise.</p> <p>While individual BUs may require some flexibility in defining their information needs, changes to the basic timesheet format should be approved by Program Management and/or a group assigned the task of overseeing timesheet responsibilities.</p>	<p>Following the re-organization of IT, management has decided that all timekeeping will be centralized in the future.</p> <p>The current HR policy (for management) and the collective agreement (for union employees) define the overtime rules and procedures.</p> <p>Management believes that a centralized function will significantly reduce the risks of fraud, errors and inconsistencies.</p> <p>Management is currently in the process of implementing a new timekeeping process supported by a robust IT platform to ensure consistency.</p>	Medium	ICFR	VP, OE & EHS & VP, IT & S	<p>31-Dec-10</p> <p>New date: 31-Dec-11</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
5.	<p>There is no formal procedure / guideline document to control the application of standby. Each BU determines the need for standby and the specific staff selected for duty. This information is then forwarded to Distribution Grid Operations (on a weekly basis) where a list is compiled.</p> <p>Specifically, there are no guidelines regarding:</p> <ul style="list-style-type: none"> <li>• Compensation for management / professional staff claiming standby.</li> <li>• Continuous standby duties without a break. Our review of schedules indicated an IT Supervisor had standby duties from June to Dec/09 and a Forestry Supervisor had standby duties from Jan. to Dec/09.</li> <li>• Standby claimed while employee is on vacation (i.e. Stations). However, staff understand they must be available for work if required.</li> <li>• Length of standby, frequency, eligibility, qualifications required, etc.</li> <li>• Determining whether standby is relevant / needed.</li> </ul> <p>Standby is valued at \$1.9M annually (i.e. cost of labour). Each week, approximately 60 employees are placed on standby.</p> <p>(10-TMK-07)</p>	<p>Management should review the standby process and develop a methodology / guideline document to be followed by all employees.</p>	<p><u>DGM</u></p> <p>DGM Shift Supervisors now handle all emergency standby events. A complete review of all electrical distribution standby staff requirements was completed and rolled-out to frontline Supervisors including standby guidelines and vehicle use.</p> <p><u>OE &amp; EHS</u></p> <p>Review of policy is ongoing.</p> <p>When OE &amp; EHS developed the overtime policy in 2007, different practices existed and it was decided not to have one standard application for all Business Units.</p> <p>After reviewing our current guidelines, we have determined that further analysis of overtime, standby, etc. is required. The length of standby, frequency, etc. also differs from group to group.</p>	Medium	Process	VP, Distribution Grid Management & VP, OE & EHS	<p>30-Sep-10</p> <p>New date:</p> <p>31-Dec-10</p> <p>New date:</p> <p>31-Mar-11</p> <p>New date:</p> <p>30-Jun-11</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
6.	<p>TH should develop a methodology document / guidelines to be used when performing work on recoverable projects.</p> <p>Guidelines should cover the following:</p> <ul style="list-style-type: none"> <li>Documentation of reasons for variations from schedule (i.e. start/stop dates, explanations for delays, etc.).</li> <li>Action Logs to record project decisions, activities and issues.</li> <li>Standardized format of documents.</li> <li>Centralized location to retain project documents. Currently, TH does not maintain documents in a central location, which creates difficulties when locating documents unless you know the specific personnel that worked on that particular project. Projects such as BSTP require civil and electrical work, therefore many staff have pieces of relevant documentation.</li> <li>Retaining key communication documents (i.e. emails are deleted by TH systems after a set time). Preserving these long-term project communications may be critical to future events.</li> <li>Monitoring activities / work when modifications are made to TH assets.</li> <li>Documentation required by the City to ensure billing for recoverable work will be paid (i.e. TH has received requests from the City for specific documentation).</li> </ul> <p>(10-BSTP-05)</p>	<p>Management should develop project guidelines and execution strategies to ensure there are no project management gaps and/or high risk projects.</p> <p>TH staff (at all levels) should be aware of the considerable risk involved in recoverable projects, and that project execution is not the same for external projects versus internal projects.</p>	<p>Management will explore available options for centralized management of project information with Asset Management and IT.</p> <p>However, management believes the risk is not significant as the residual value of the assets built through recoverable projects is included in THESL's rate base and therefore fully recoverable in the future.</p>	Medium	Process	VP, Distribution Services	<p>31-Mar-11</p> <p>New date:</p> <p>31-Dec-11</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
7.	<p>Periodic reviews of server hardening / configuration settings versus the Security Configuration Standards were not performed on the databases (e.g. Oracle) and operating systems (e.g. AIX, Windows) of financial systems after they were deployed to production.</p> <p>While a schedule was developed for server hardening of critical application servers, there are no periodic reviews to ensure that these servers remained hardened after they were placed in production. As well, no formal schedule for periodic reviews of configuration settings was developed and these reviews were only performed after Internal Audit raised the issue.</p> <p>THC Security Policy requires annual (at a minimum) reviews to identify issues related to inappropriate use of Toronto Hydro assets. In addition, staff must ensure that information systems comply with any published standard, best practice, standard operating procedure and/or code of practice.</p> <p><b>This gap was identified in 2007 &amp; 2008</b> (11-ITGC-02)</p>	<p>A housekeeping schedule of periodic reviews should be established (coordinated by the Security Office) to ensure settings are in accordance with THC policies and standards.</p>	<p>An annual assessment review will be performed in 2011. Going forward, this review will be performed semi-annually.</p> <p>An external consulting firm performed an assessment and provided recommendations on server hardening within the Toronto Hydro environment. The Server Support Team collaborated with this firm to develop standardized hardening templates for servers based on a threat model approach (mitigation based on categories of exposures) and the applicability to the Toronto Hydro environment.</p> <p>All new server builds are built with a standardized hardened template. A project plan is being develop for 2011 to further enhance our hardening practice by integrating hardening techniques at the network (Active Directory) level in conjunction with local hardening. This will allow centralized control of configuration hardening and will further reinforce the local hardening policies currently implemented.</p>	Medium	ICFR	VP, IT&S	31-Dec-11	<b>Remediation in Progress</b>



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
8.	<p>No independent monitoring of Administrator activities. Administrators monitor their own activities and IT Security is not involved in the security monitoring process.</p> <p>There is a risk that administrators may alter sensitive data without detection.</p> <p>THC's Cyber Security Policy requires that annual (at a minimum) reviews of access logs be conducted by IT Security to identify any issues related to inappropriate use of Toronto Hydro assets.</p> <p>(11-ITGC-03)</p>	<p>The monitoring process should include an independent participant (such as IT Security) to ensure that security incidents are reported to a centralized body that reviews this exposure using a "holistic" approach.</p> <p>As a preventive control for these risks, access should be restricted and altering of data by administrators should be independently reviewed.</p>	<p>The IT Security Office will soon issue a request for proposal for a SIEM (Security Information and Event Management) solution.</p> <p>This solution will act as a central storage point for operating system and application logs alongside a built-in engine for log event correlations.</p> <p>In the meantime, the IT Security Office will select a sample of logs on administrative access and will substantiate the need for access.</p>	Medium	ICFR	VP, IT&S	31-Dec-11	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
9.	<p>No review of vendors that login remotely to the THC network is performed. For SAP, the SAP router log file is not periodically monitored to detect any unauthorized activity. We also inspected the list of active users (including vendors) that can securely login to THC's network and noted that terminated users were still listed as active. The responsibility for reviewing users with remote access to THC's network has not been assigned.</p> <p>Without periodic reviews, there is a risk that terminated accounts will retain access and redundant accounts will accumulate in the system, providing a means for unauthorized access to systems and data.</p> <p>THC's Cyber Security Policy requires that strict security controls be established for remote protection prior to granting remote access.</p> <p>(11-ITGC-05)</p>	<p>Users with remote access to THC's network should be reviewed on a regular basis. Vendor access to the network should be monitored and tightly controlled. At a minimum, a yearly review of the access logs should be conducted by IT Security to identify any issues related to inappropriate use of Toronto Hydro assets.</p>	<p>The review and attestation of external vendor access will be performed on an annual basis.</p> <p>Application Support and Infrastructure will be individually responsible for attesting vendor access for their respective teams.</p> <p>Vendors will be contacted to ensure accuracy of the information.</p>	Medium	Process	VP, IT&S	31-Dec-11	Remediation in Progress

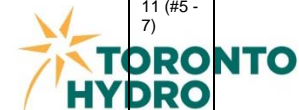




# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2011

Gap #	Gap Description	Recommendation	Management Response / Plan	Action	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
10.	<p>We reviewed a sample of projects and noted the following:</p> <ul style="list-style-type: none"><li>No Finance stakeholder in either the project charter or business case for the EMRT project, although this was primarily a Finance project. The EMRT project was not approved by the Business nor was there any evidence of an appointment of a Business owner by the project sponsor, as is required by the Software Development Life Cycle (SDLC) framework. No project tailoring plan was prepared as required by the SDLC Framework. This project was terminated in 2010 (under development since July 2008).</li><li>No Business stakeholders or approvals from the Business for the Identity Access Management (IAM) project. No project tailoring plan was prepared for the IAM project as required by the SDLC Framework.</li><li>SDLC framework does not provide adequate guidance for required approvers of the phased deliverables for projects.</li><li>We were unable to obtain a list of the Steering Committee members, documentation that describes roles/responsibilities, meeting frequency and meeting minutes.</li></ul> <p>Based on the recent restructuring of IT and the decision to terminate projects, a more rigorous process for evaluating the viability of new projects is required.</p> <p>Without a rigorous governance process over new project proposals and adherence to the requirements of the SDLC, there is increased risk that projects without business alignment may be undertaken and/or key project controls may not be met / completed.</p> <p>(11-ITGC-06)</p>	<p>While the content of the current SDLC framework aligns with the Project Management Institute (PMI), there should be a comprehensive review of the framework to ensure that the design of governance processes around portfolio management, review &amp; approval of business cases/projects, authorization &amp; limits, and expectations/role/ responsibilities of project stakeholders are clearly documented in the framework.</p> <p>There should be a close alignment with the enterprise wide PPMO, that is responsible for governance of projects in THC, using the current framework and processes that are in place. The framework should be revised to reflect the enterprise-wide vision.</p>	<p>Management agrees with this finding. Neither Charter nor Business case for the sample initiatives indicate sponsorship by business unit stakeholders, however, Tailoring plans were prepared and signed-off.</p> <p>The SDLC framework is extensively documented in the IT&amp;S SDLC Project Management Framework. This document provides extensive guidance into roles, process, and controls. In addition, each SDLC Stage gate includes a gate closure report to be completed before proceeding onto the next phase. These documents include a list of deliverables required for that phase and the acceptability criteria.</p> <p>The following process was developed to resolve this gap:</p> <ol style="list-style-type: none"><li>Ensure that IT projects (2011 onwards) contain business centric benefits expressed in the business case.</li><li>Ensure that Business Cases are written with business unit involvement and based on delivering business value.</li><li>Ensure that business unit sponsorship representatives are identified in the charter.</li><li>Evaluate existing IT projects for business centric benefits and business unit sponsorship.</li><li>Evaluate alignment of the current IT&amp;S organization structure as it supports the roles defined in the framework.</li><li>Ensure governance over the SDLC lifecycle by the IT Governance / EPMO and Program Delivery Office.</li><li>Develop a comprehensive initiative (under development) which includes governance oversight approvals from stakeholders at each stage.</li></ol> <p>This process begins at the onset of project ideas, at the Strategic Management domain, proceeds with involvement from finance, enterprise risk, and EPMO to facilitate first level evaluation of risk and business value, continues onto Feasibility assessment or direct to business case development and is integrated into the existing portfolio to ensure a balanced portfolio, aligned with strategic pillars, resource capacity, and risk adjusted benefit/cost.</p>	Medium	Process	VP, IT&S	31-Mar-11 (#1 - 3)  30-Jun-11 (#4)  30-Sep-11 (#5 - 7)	Remediation in Progress	



# Internal Audit Department

Summary of Q2, 2011 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on August 16, 2011



# 1. Quarter-end Status Highlights

ICFR / Process	2011		2010				2009
	Q2*	Q1	Q4	Q3	Q2	Q1	Q4
Gaps Closed	15 (8 ICFR)	15 (10 ICFR)	12 (3 ICFR)	3 (1 ICFR)	34 (15 ICFR)	5 (2 ICFR)	26 (17 ICFR)
Gap Status	Good	Good	Good	Good	Good	Good	Good
Internal Audit Reports Issued	4	6	2	1	4	6	6
Gaps outstanding at Quarter-End	10 (2H, 5M, 3L)	14 (2H, 8M, 4L)	7 (1H, 4M, 2L)	14 (2H, 7M, 5L)	16 (1H, 8M, 7L)	17 (3H, 6M, 8L)	15 (2H, 7M, 6L)

\* Includes reports issued & gaps closed to August 9, 2011

<b>Advisory</b>			
Enterprise Risk Management	}	Participate in regular meetings	

## 2. Summary of Remediation Activities June 30, 2011

Departments	Gaps Outstanding March 31, 2011	New Gaps	Remediated Gaps	Gaps Outstanding June 30, 2011 (incl. reports issued & gaps closed to August 9, 2011)
Operations	3	1	2	2
Customer Services	1	5	5	1
Organizational Effectiveness & EHS	1	0	0	1
Finance and Regulatory Affairs	1	5	5	1
IT & S	7	0	3	4
Governance	1	0	0	1
<b>Total</b>	<b>14</b>	<b>11</b>	<b>15</b>	<b>10</b>



### 3. Gaps Aging – June 30, 2011

Departments	Gaps Identified			Gaps Outstanding June 30, 2011 (incl. reports issued & gaps closed to August 9, 2011)	Gaps That are Past Due Management's Target Completion Date
	(Period)				
	Less Than 6 Months	6 Months to 1 Year	More Than 1 Year		
Operations	1	0	1 (Gap #3)	2	
Customer Services	0	0	1 (Gap #1)	1	
Organizational Effectiveness & EHS	0	0	1 (Gap #4)	1	
Finance and Regulatory Affairs	1	0	0	1	
IT & S	4	0	0	4	
Governance	0	0	1 (Gap #9)	1	
Total	6	0	4	10	0

Note: Gaps aging is based on the date the gap is assigned to the process owner. Internal Audit agrees that management is acting appropriately to close gaps as quickly as possible.



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2011

### Outstanding Gaps Ranked "High" (2):

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
1.	<p>We found no contract and/or Service Level Agreement (SLA) between THESL and Utilismart who collect meter reads for over 500 commercial meters. As the outsourced provider, we rely on Utilismart's processes to ensure accuracy and integrity of the data. These Smart Synch meter reads are collected by Utilismart's Transaction Management System (TMS).</p> <p>THESL plans to continue using Utilismart as a service provider for commercial SmartSynch meter reads until TMS is eventually implemented "in-house." But until TMS is implemented at THESL, the number of SmartSynch meter reads provided by Utilismart will increase substantially in the next few years. For 2009, the estimated revenue from SmartSynch meters is \$100 million.</p> <p>(09-MOT-01)</p>	<p>Establish business contract and/or Service Level Agreement (SLA) with vendors (i.e. Utilismart) and monitor service per SLA requirements. An appropriate SLA would ensure accuracy, completeness and timeliness of meter data delivery.</p> <p>Or, as an alternative, implement TMS at THESL and bring the SmartSynch Meter Reading process "in-house" as soon as possible.</p>	<p>The anticipated date to bring TMS "in-house" is March 2012 following the implementation of CC&amp;B in July.</p> <p><u>However, the following should be noted:</u></p> <p>Since the meters read by Utilismart are processed through our MV90 and MVSTAR systems and are subject to the same VEE services as the other RIMS meters, <b>management believes adequate compensating controls are in place to ensure data quality (management does not believe this Gap is a high risk).</b></p> <p>Furthermore, monthly load analysis is performed at a high level to ensure the consumption THESL pays to the IESO matches the consumption billed to customers, less line losses.</p>	High	ICFR	VP, Customer Services	<p>30-Jun10</p> <p>New date:</p> <p>31-Dec-10</p> <p>New date:</p> <p>31-Mar-12</p>	<b>Remediation in Progress</b>



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
2.	<p>A consistent process does not exist for granting and removing network access privileges for users who have left the company or whose business role has changed (transfers). In addition, there is no consistent process to inform/request the help desk to modify/remove the user's previous network access. Also, users' network access is not updated / removed in a timely manner.</p> <p>Students or Contractor IDs were not set-up to 'auto expire' after a certain date. The periodic review of network accounts did not highlight these accounts as these were under the 90 day inactivity threshold.</p> <p>This gap has been noted every year since 2007 and was closed early in 2010 when the Identity Access Management (IAM) initiative was implemented. However, within a few months after the IAM initiative, the solution encountered problems and this gap was re-opened.</p> <p>As of October 30, 2010, a final cost of \$6.1M was estimated for the Identity Access Management (IAM) initiative, as part of the overall IT Security Program to help resolve this issue. This project was expected to last 3 years (2008-2010) and was executed as 6 separate projects. To date, these exceptions continue to exist.</p> <p>There is a risk of users obtaining access not compatible with their business role and an increased likelihood of unauthorized access if user IDs are not removed in a timely manner. THC's Cyber Security Policy requires user access/rights to information, processing facilities and various Toronto Hydro locations be removed immediately on termination of employment/contract, or be adjusted for any change in employment or status.</p> <p><b>This gap was identified in 2007-2010</b> (11-ITGC-01)</p>	<p>Develop and implement a process to ensure that access changes resulting from internal transfers / terminations are implemented in a timely manner. The long term viability of the IAM initiative should be investigated since these exceptions continue to exist regardless of the expenditures made to address the issues.</p> <p>Management should consider implementing the network's 'auto expire' control for students and contractors.</p>	<p>The new IT management group has reviewed, in detail, the IAM process to mitigate residual risk and contain costs. In the second quarter, an "On-Boarding, Position Change and Off-Boarding Program" has been created to formally address the issues described in this gap. The collaborative effort spans the entire organization.</p> <p>In the interim the User System Attestation Process has been implemented and executed to mitigate the risk to a tolerable level.</p> <p>Furthermore, a 90 day as well as role dependent threshold have been created and implemented for students and contractors.</p>	High	ICFR	VP, IT&S & VP, OE & EHS	30-Sep-11 New date: 31-Dec-12	<b>Remediation in Progress</b>



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2011

### *Outstanding Gaps Ranked “Medium” (5):*

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Remediation Status
3.	There is no integrated master business continuity plan (BCP).  (07-CG-01)	Develop and test a business continuity plan that addresses the relocation of people, continuity of business functions and processes, includes a business impact assessment and integrates pandemic planning and recovery point objectives.	<p>A management framework for the Emergency Management Unit (EMU) and its Business Continuity Program was formally approved and signed by the VP, Distribution Grid Management on May 17th, 2011.</p> <p>Also on May 17th, 2011, enterprise and component critical functions proposed by DRPs were approved by the Emergency Preparedness Steering Committee (EPSC) thereby officially initiating the Business Impact Analysis (BIA), the information gathering and first stage of Business Continuity Planning (BCP).</p> <p>The BCP project plan has been benchmarked and the EMU now submits Project Status Reports at monthly OSR meetings.</p> <p>The EMU has begun the BIA stage of BCP and headway is already being made in new proposals for critical functions along tactical and operational descriptions which will better facilitate BCP end products.</p> <p>Collaboration with Strategic Management and Enterprise Risk Management has yielded considerable advances in positioning BCP monitoring and control at a corporate level in the future.</p> <p>Significant progress has been made in aligning with similar programs and projects within the organization. The EMU meets on a regular basis with Enterprise Risk Management, Asset Management's PAS-55 group and IT&amp;S to ensure each program can leverage off of each others successes and exploit opportunities for improvement.</p>	Medium	Process	VP, Distribution Grid Management	31-Dec-08  New date:  31-Dec-09    New date:  31-Dec-11	Remediation in Progress





# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
4.	<p>Our review of the overall timekeeping process for TH shows that the process is fragmented and that procedures are not consistent between BUs. BUs have developed separate requirements for employees to follow and different methods to record labour hours. For instance, IT recently implemented an electronic timesheet process that is not available to other BUs. Generally, the Timekeeping process is not managed as a TH-wide process and governed by the same criteria across all BUs.</p> <p>In addition, our review of timesheets produced from the electronic timekeeping process recently implemented by IT, showed the following deficiencies:</p> <ul style="list-style-type: none"> <li>No differentiation between standard hours and overtime/extended hours (which need to be tracked for employees and consultants).</li> <li>No employee name.</li> <li>No labour codes.</li> <li>No information regarding the type of overtime (i.e. planned, extended shift, emergency).</li> <li>No documentation showing approval.</li> </ul> <p>(10-TMK-05)</p>	<p>Timekeeping is a key process that should be a centralized function for the entire company, where requirements and criteria are developed by subject matter experts with diverse areas of expertise.</p> <p>While individual BUs may require some flexibility in defining their information needs, changes to the basic timesheet format should be approved by Program Management and/or a group assigned the task of overseeing timesheet responsibilities.</p>	<p>The new timekeeping project has been formally launched in Q2 2011. This project will centralize all timekeeping functions within the organization and will ensure consistent policies are applied across all departments. This project will be supported by an IT solution which is currently being developed.</p> <p>It should be noted that the current HR policy (for management) and the collective agreement (for union employees) define all the related procedures. Management is currently developing an engagement and communication strategy to reinforce the rules.</p>	Medium	ICFR	VP, OE & EHS & VP, IT & S	<p>31-Dec-10</p> <p>New date: 31-Dec-11</p> <p>New date: 31-Mar-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
5.	<p>TH should develop a methodology document / guidelines to be used when performing work on recoverable projects.</p> <p>Guidelines should cover the following:</p> <ul style="list-style-type: none"> <li>Documentation of reasons for variations from schedule (i.e. start/stop dates, explanations for delays, etc.).</li> <li>Action Logs to record project decisions, activities and issues.</li> <li>Standardized format of documents.</li> <li>Centralized location to retain project documents. Currently, TH does not maintain documents in a central location, which creates difficulties when locating documents unless you know the specific personnel that worked on that particular project. Projects such as BSTP require civil and electrical work, therefore many staff have pieces of relevant documentation.</li> <li>Retaining key communication documents (i.e. emails are deleted by TH systems after a set time). Preserving these long-term project communications may be critical to future events.</li> <li>Monitoring activities / work when modifications are made to TH assets.</li> <li>Documentation required by the City to ensure billing for recoverable work will be paid (i.e. TH has received requests from the City for specific documentation).</li> </ul> <p>(10-BSTP-05)</p>	<p>Management should develop project guidelines and execution strategies to ensure there are no project management gaps and/or high risk projects.</p> <p>TH staff (at all levels) should be aware of the considerable risk involved in recoverable projects, and that project execution is not the same for external projects versus internal projects.</p>	<p>Management will explore available options for centralized management of project information with Asset Management and IT.</p> <p>However, management believes the risk is not significant as the residual value of the assets built through recoverable projects is included in THESL's rate base and therefore fully recoverable in the future.</p>	Medium	Process	VP, Distribution Services	<p>31-Mar-11</p> <p>New date:</p> <p>31-Dec-11</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
6.	<p>No independent monitoring of Administrator activities. Administrators monitor their own activities and IT Security is not involved in the security monitoring process.</p> <p>There is a risk that administrators may alter sensitive data without detection.</p> <p>THC's Cyber Security Policy requires that annual (at a minimum) reviews of access logs be conducted by IT Security to identify any issues related to inappropriate use of Toronto Hydro assets.</p> <p>(11-ITGC-03)</p>	<p>The monitoring process should include an independent participant (such as IT Security) to ensure that security incidents are reported to a centralized body that reviews this exposure using a "holistic" approach.</p> <p>As a preventive control for these risks, access should be restricted and altering of data by administrators should be independently reviewed.</p>	<p>The IT Security Office has created and will implement a "Security Audit Process" whereby System Administrator access/permissions will be attested semi-annually. Also on-going reviews of system logs, System Administrators names and privileges as well as activities will be performed by the Security Office via ALL system read-only access. The "IT System Logging, Data Loss Prevention and Governance Risk Compliance" Project will provide the data necessary to close this gap completely.</p>	Medium	ICFR	VP, IT&S	31-Dec-11	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
7.	<p>No review of vendors that login remotely to the THC network is performed. For SAP, the SAP router log file is not periodically monitored to detect any unauthorized activity. We also inspected the list of active users (including vendors) that can securely login to THC's network and noted that terminated users were still listed as active. The responsibility for reviewing users with remote access to THC's network has not been assigned.</p> <p>Without periodic reviews, there is a risk that terminated accounts will retain access and redundant accounts will accumulate in the system, providing a means for unauthorized access to systems and data.</p> <p>THC's Cyber Security Policy requires that strict security controls be established for remote protection prior to granting remote access.</p> <p>(11-ITGC-05)</p>	<p>Users with remote access to THC's network should be reviewed on a regular basis. Vendor access to the network should be monitored and tightly controlled. At a minimum, a yearly review of the access logs should be conducted by IT Security to identify any issues related to inappropriate use of Toronto Hydro assets.</p>	<p>IT Operations will develop a process to ensure the remote access is properly monitored. The process will involve audits of vendor access, profiles and permissions via a "Vendor Attestation Process."</p> <p>It should be noted that the residual risk of this gap is low as the remote access granted is usually limited to basic system functionality.</p>	Medium	Process	VP, IT&S	31-Dec-11	Remediation in Progress



# Internal Audit Department

Summary of Q3, 2011 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on November 15, 2011



# 1. Quarter-end Status Highlights

ICFR / Process	2011			2010				2009
	Q3*	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Gaps Closed	19 (9 ICFR)	15 (8 ICFR)	15 (10 ICFR)	12 (3 ICFR)	3 (1 ICFR)	34 (15 ICFR)	5 (2 ICFR)	26 (17 ICFR)
Gap Status	Good	Good	Good	Good	Good	Good	Good	Good
Internal Audit Reports Issued	6	4	6	2	1	4	6	6
Gaps outstanding at Quarter-End	11 (3H, 5M, 3L)	10 (2H, 5M, 3L)	14 (2H, 8M, 4L)	7 (1H, 4M, 2L)	14 (2H, 7M, 5L)	16 (1H, 8M, 7L)	17 (3H, 6M, 8L)	15 (2H, 7M, 6L)

\* Includes reports issued & gaps closed to November 8, 2011

<b>Advisory</b>				
<div>Enterprise Risk Management</div> <div> <div> </div> <div> </div> </div> <div>Participate in regular meetings</div>				

## 2. Summary of Remediation Activities September 30, 2011

Departments	Gaps Outstanding June 30, 2011	New Gaps	Remediated Gaps	Gaps Outstanding September 30, 2011 (incl. reports issued & gaps closed to November 8, 2011)
Operations	3	9	9	3
Customer Services	1	10	9	2
Organizational Effectiveness & EHS	0	1	1	0
Finance and Regulatory Affairs	1	0	0	1
IT & S	4	0	0	4
Governance	1	0	0	1
<b>Total</b>	<b>10</b>	<b>20</b>	<b>19</b>	<b>11</b>



### 3. Gaps Aging – September 30, 2011

Departments	Gaps Identified			Gaps Outstanding September 30, 2011 (incl. reports issued & gaps closed to November 8, 2011)	Gaps That are Past Due Management's Target Completion Date
	(Period)				
	Less Than 6 Months	6 Months to 1 Year	More Than 1 Year		
Operations	0	1	2 (Gap #4, #5)	3	
Customer Services	1	0	1 (Gap #1)	2	
Organizational Effectiveness & EHS	0	0	0	0	
Finance and Regulatory Affairs	0	1	0	1	
IT & S	4	0	0	4	
Governance	0	0	1 (Low)	1	
Total	5	2	4	11	0

Note: Gaps aging is based on the date the gap is assigned to the process owner. Internal Audit agrees that management is acting appropriately to close gaps as quickly as possible.





# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2011

### Outstanding Gaps Ranked “High” (3):

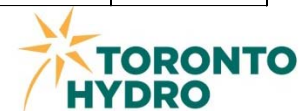
Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
1.	<p>We found no contract and/or Service Level Agreement (SLA) between THESL and Utilismart who collect meter reads for over 500 commercial meters. As the outsourced provider, we rely on Utilismart’s processes to ensure accuracy and integrity of the data. These Smart Synch meter reads are collected by Utilismart’s Transaction Management System (TMS).</p> <p>THESL plans to continue using Utilismart as a service provider for commercial SmartSynch meter reads until TMS is eventually implemented “in-house.” But until TMS is implemented at THESL, the number of SmartSynch meter reads provided by Utilismart will increase substantially in the next few years. For 2009, the estimated revenue from SmartSynch meters is \$100 million.</p> <p>(09-MOT-01)</p>	<p>Establish business contract and/or Service Level Agreement (SLA) with vendors (i.e. Utilismart) and monitor service per SLA requirements. An appropriate SLA would ensure accuracy, completeness and timeliness of meter data delivery.</p> <p>Or, as an alternative, implement TMS at THESL and bring the SmartSynch Meter Reading process “in-house” as soon as possible.</p>	<p>The anticipated date to bring TMS “in-house” is March 2012 following the implementation of CC&amp;B in July.</p> <p><u>However, the following should be noted:</u></p> <p>Since the meters read by Utilismart are processed through our MV90 and MVSTAR systems and are subject to the same VEE services as the other RIMS meters, <b>management believes adequate compensating controls are in place to ensure data quality (management does not believe this Gap is a high risk).</b></p> <p>Furthermore, monthly load analysis is performed at a high level to ensure the consumption THESL pays to the IESO matches the consumption billed to customers, less line losses.</p>	High	ICFR	VP, Customer Care & CCO	<p>30-Jun10</p> <p>New date:</p> <p>31-Dec-10</p> <p>New date:</p> <p>31-Mar-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
2.	<p>A consistent process does not exist for granting and removing network access privileges for users who have left the company or whose business role has changed (transfers). In addition, there is no consistent process to inform/request the help desk to modify/remove the user's previous network access. Also, users' network access is not updated / removed in a timely manner.</p> <p>Students or Contractor IDs were not set-up to 'auto expire' after a certain date. The periodic review of network accounts did not highlight these accounts as these were under the 90 day inactivity threshold.</p> <p>This gap has been noted every year since 2007 and was closed early in 2010 when the Identity Access Management (IAM) initiative was implemented. However, within a few months after the IAM initiative, the solution encountered problems and this gap was re-opened.</p> <p>As of October 30, 2010, a final cost of \$6.1M was estimated for the Identity Access Management (IAM) initiative, as part of the overall IT Security Program to help resolve this issue. This project was expected to last 3 years (2008-2010) and was executed as 6 separate projects. To date, these exceptions continue to exist.</p> <p>There is a risk of users obtaining access not compatible with their business role and an increased likelihood of unauthorized access if user IDs are not removed in a timely manner. THC's Cyber Security Policy requires user access/rights to information, processing facilities and various Toronto Hydro locations be removed immediately on termination of employment/contract, or be adjusted for any change in employment or status.</p> <p><b>This gap was identified in 2007-2010</b></p> <p>(11-ITGC-01)</p>	<p>Develop and implement a process to ensure that access changes resulting from internal transfers / terminations are implemented in a timely manner. The long term viability of the IAM initiative should be investigated since these exceptions continue to exist regardless of the expenditures made to address the issues.</p> <p>Management should consider implementing the network's 'auto expire' control for students and contractors.</p>	<p>The new IT management group has reviewed, in detail, the IAM process to mitigate residual risk and contain costs. In the second quarter, an "On-Boarding, Position Change and Off-Boarding Program" has been created to formally address the issues described in this gap. The collaborative effort spans the entire organization.</p> <p>In the interim the User System Attestation Process has been implemented and executed to mitigate the risk to a tolerable level.</p> <p>Furthermore, a 90 day as well as role dependent threshold have been created and implemented for students and contractors.</p>	High	ICFR	VP, IT & Strategy Management & VP, OE & EHS	<p>30-Sep-11</p> <p>New date:</p> <p>31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
3.	<p>The process to ensure accuracy of bill presentment needs improvement.</p> <p>In 2010, a class action law suit was launched against THESL on over charging customer for Late Payment Fees.</p> <p>(11-CS-01)</p>	<p>Implement process for bill presentment change review to ensure changes are reviewed by appropriate departments (i.e. Legal, Regulatory, etc.) to ensure that bills are accurate and consistent with regulatory requirements.</p>	<p>Revised late fee language on customer bill was updated on Dec 9, 2010.</p> <p>Additional review of bill image found wording of "payable to" on bill stub, to be updated to full THESL name, including Limited. Customer bill image updated March 15, 2011.</p> <p>Implemented procedures for bill presentment change review. (i.e. by related departments such as Legal, Regulatory, etc.) to ensure bill presentment change is approved before it's released. Currently, Legal Department is launching a company-wide regulatory risk model. Customer Service will join the effort with Legal to assess the related regulatory risks.</p> <p>In addition, bill presentment will be reviewed by related departments on a periodic basis to ensure it remains compliant with any changes to the Legal or Regulatory landscape.</p>	High	ICFR	VP, Customer Services	31-Dec-11	Remediation in Progress

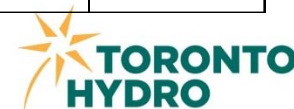


# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2011

### Outstanding Gaps Ranked “Medium” (5):

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Remediation Status
4.	There is no integrated master business continuity plan (BCP).  (07-CG-01)	Develop and test a business continuity plan that addresses the relocation of people, continuity of business functions and processes, includes a business impact assessment and integrates pandemic planning and recovery point objectives.	<p>A management framework for the Emergency Management Unit (EMU) and its Business Continuity Program was formally approved and signed by the VP, Distribution Grid Management on May 17th, 2011.</p> <p>Also on May 17th, 2011, enterprise and component critical functions proposed by DRPs were approved by the Emergency Preparedness Steering Committee (EPSC) thereby officially initiating the Business Impact Analysis (BIA), the information gathering and first stage of Business Continuity Planning (BCP).</p> <p>The BCP project plan has been benchmarked and the EMU now submits Project Status Reports at monthly OSR meetings.</p> <p>The EMU has begun the BIA stage of BCP and headway is already being made in new proposals for critical functions along tactical and operational descriptions which will better facilitate BCP end products.</p> <p>Collaboration with Strategic Management and Enterprise Risk Management has yielded considerable advances in positioning BCP monitoring and control at a corporate level in the future.</p> <p>Significant progress has been made in aligning with similar programs and projects within the organization. The EMU meets on a regular basis with Enterprise Risk Management, Asset Management's PAS-55 group and IT&amp;S to ensure each program can leverage off of each others successes and exploit opportunities for improvement.</p> <p>Revised organizational critical functions and a full business impact analysis report will be presented to the Emergency Preparedness Steering Committee in December 2011 for final approval. This will form the foundation of the Master Business Continuity Plan.</p>	Medium	Process	VP, Distribution Grid Management	<p>31-Dec-08</p> <p>New date: 31-Dec-09</p> <p>New date: 31-Dec-11</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
5.	<p>Our review of the overall timekeeping process for TH shows that the process is fragmented and that procedures are not consistent between BUs. BUs have developed separate requirements for employees to follow and different methods to record labour hours. For instance, IT recently implemented an electronic timesheet process that is not available to other BUs. Generally, the Timekeeping process is not managed as a TH-wide process and governed by the same criteria across all BUs.</p> <p>In addition, our review of timesheets produced from the electronic timekeeping process recently implemented by IT, showed the following deficiencies:</p> <ul style="list-style-type: none"> <li>No differentiation between standard hours and overtime/extended hours (which need to be tracked for employees and consultants).</li> <li>No employee name.</li> <li>No labour codes.</li> <li>No information regarding the type of overtime (i.e. planned, extended shift, emergency).</li> <li>No documentation showing approval.</li> </ul> <p>(10-TMK-05)</p>	<p>Timekeeping is a key process that should be a centralized function for the entire company, where requirements and criteria are developed by subject matter experts with diverse areas of expertise.</p> <p>While individual BUs may require some flexibility in defining their information needs, changes to the basic timesheet format should be approved by Program Management and/or a group assigned the task of overseeing timesheet responsibilities.</p>	<p>The new timekeeping project has been formally launched in Q2 2011. This project will centralize all timekeeping functions within the organization and will ensure consistent policies are applied across all departments. This project will be supported by an IT solution which is currently being developed. Vendor selected; in progress.</p> <p>It should be noted that the current HR policy (for management) and the collective agreement (for union employees) define all the related procedures. Management is currently developing an engagement and communication strategy to reinforce the rules.</p>	Medium	ICFR	<p>VP, Distribution Services</p> <p>&amp;</p> <p>VP, IT &amp; Strategy Management</p>	<p>31-Dec-10</p> <p>New date:</p> <p>31-Dec-11</p> <p>New date:</p> <p>31-Mar-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
6.	<p>TH should develop a methodology document / guidelines to be used when performing work on recoverable projects.</p> <p>Guidelines should cover the following:</p> <ul style="list-style-type: none"> <li>Documentation of reasons for variations from schedule (i.e. start/stop dates, explanations for delays, etc.).</li> <li>Action Logs to record project decisions, activities and issues.</li> <li>Standardized format of documents.</li> <li>Centralized location to retain project documents. Currently, TH does not maintain documents in a central location, which creates difficulties when locating documents unless you know the specific personnel that worked on that particular project. Projects such as BSTP require civil and electrical work, therefore many staff have pieces of relevant documentation.</li> <li>Retaining key communication documents (i.e. emails are deleted by TH systems after a set time). Preserving these long-term project communications may be critical to future events.</li> <li>Monitoring activities / work when modifications are made to TH assets.</li> <li>Documentation required by the City to ensure billing for recoverable work will be paid (i.e. TH has received requests from the City for specific documentation).</li> </ul> <p>(10-BSTP-05)</p>	<p>Management should develop project guidelines and execution strategies to ensure there are no project management gaps and/or high risk projects.</p> <p>TH staff (at all levels) should be aware of the considerable risk involved in recoverable projects, and that project execution is not the same for external projects versus internal projects.</p>	<p>Management will explore available options for centralized management of project information with Asset Management and IT.</p> <p>However, management believes the risk is not significant as the residual value of the assets built through recoverable projects is included in THESL's rate base and therefore fully recoverable in the future.</p>	Medium	Process	VP, Distribution Services	<p>31-Mar-11</p> <p>New date:</p> <p>31-Dec-11</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
7.	<p>No independent monitoring of Administrator activities. Administrators monitor their own activities and IT Security is not involved in the security monitoring process.</p> <p>There is a risk that administrators may alter sensitive data without detection.</p> <p>THC's Cyber Security Policy requires that annual (at a minimum) reviews of access logs be conducted by IT Security to identify any issues related to inappropriate use of Toronto Hydro assets.</p> <p>(11-ITGC-03)</p>	<p>The monitoring process should include an independent participant (such as IT Security) to ensure that security incidents are reported to a centralized body that reviews this exposure using a "holistic" approach.</p> <p>As a preventive control for these risks, access should be restricted and altering of data by administrators should be independently reviewed.</p>	<p>The IT Security Office has created and will implement a "Security Audit Process" whereby System Administrator access/permissions will be attested semi-annually. Also on-going reviews of system logs, System Administrators names and privileges as well as activities will be performed by the Security Office via ALL system read-only access. The "IT System Logging, Data Loss Prevention and Governance Risk Compliance" Project will provide the data necessary to close this gap completely.</p>	Medium	ICFR	VP, IT&S	31-Dec-11	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
8.	<p>No review of vendors that login remotely to the THC network is performed. For SAP, the SAP router log file is not periodically monitored to detect any unauthorized activity. We also inspected the list of active users (including vendors) that can securely login to THC's network and noted that terminated users were still listed as active. The responsibility for reviewing users with remote access to THC's network has not been assigned.</p> <p>Without periodic reviews, there is a risk that terminated accounts will retain access and redundant accounts will accumulate in the system, providing a means for unauthorized access to systems and data.</p> <p>THC's Cyber Security Policy requires that strict security controls be established for remote protection prior to granting remote access.</p> <p>(11-ITGC-05)</p>	<p>Users with remote access to THC's network should be reviewed on a regular basis. Vendor access to the network should be monitored and tightly controlled. At a minimum, a yearly review of the access logs should be conducted by IT Security to identify any issues related to inappropriate use of Toronto Hydro assets.</p>	<p>IT Operations will develop a process to ensure the remote access is properly monitored. The process will involve audits of vendor access, profiles and permissions via a "Vendor Attestation Process."</p> <p>It should be noted that the residual risk of this gap is low as the remote access granted is usually limited to basic system functionality.</p>	Medium	Process	VP, IT&S	31-Dec-11	Remediation in Progress





# Internal Audit Department

Summary of Q4, 2011 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on February 27, 2012



# 1. Quarter-end Status Highlights

ICFR / Process	2011				2010			
	Q4*	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gaps Closed	14 (5 ICFR)	19 (9 ICFR)	15 (8 ICFR)	15 (10 ICFR)	12 (3 ICFR)	3 (1 ICFR)	34 (15 ICFR)	5 (2 ICFR)
Gap Status	Good	Good	Good	Good	Good	Good	Good	Good
Internal Audit Reports Issued	5	6	4	6	2	1	4	6
Gaps outstanding at Quarter-End	18 (4H, 9M, 5L)	11 (3H, 5M, 3L)	10 (2H, 5M, 3L)	14 (2H, 8M, 4L)	7 (1H, 4M, 2L)	14 (2H, 7M, 5L)	16 (1H, 8M, 7L)	17 (3H, 6M, 8L)

\* Includes reports issued & gaps closed to February 20, 2012

Advisory					
Enterprise Risk Management					} Participate in regular meetings



## 2. Summary of Remediation Activities December 31, 2011

Departments	Gaps Outstanding September 30, 2011	New Gaps	Remediated Gaps	Gaps Outstanding December 31, 2011 (incl. reports issued & gaps closed to February 20, 2012)
Operations	2	9	7	4
Customer Services	2	0	0	2
Organizational Effectiveness & EHS	0	8	0	8
Finance and Regulatory Affairs	1	0	0	1
IT & S	5	3	6	2
Governance	1	1	1	1
<b>Total</b>	<b>11</b>	<b>21</b>	<b>14</b>	<b>18</b>



### 3. Gaps Aging – December 31, 2011

Departments	Gaps Identified			Gaps Outstanding December 31, 2011 (incl. reports issued & gaps closed to February 31, 2012)	Gaps That are Past Due Management's Target Completion Date
	(Period)				
	Less Than 6 Months	6 Months to 1 Year	More Than 1 Year		
Operations	3	0	1 (Gap #6)	4	
Customer Services	1	0	1 (Gap #1)	2	
Organizational Effectiveness & EHS	7	0	1 (Gap #13)	8	
Finance and Regulatory Affairs	0	1	0	1	
IT & S	0	1	1 (Gap #5)	2	
Governance	0	0	1 (Low)	1	
Total	11	2	5	18	0

Note: Gaps aging is based on the date the gap is assigned to the process owner. Internal Audit agrees that management is acting appropriately to close gaps as quickly as possible.



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

### Outstanding Gaps Ranked “High” (3):

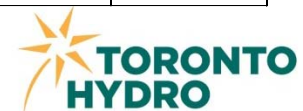
Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
1.	<p>We found no contract and/or Service Level Agreement (SLA) between THESL and Utilismart who collect meter reads for over 500 commercial meters. As the outsourced provider, we rely on Utilismart’s processes to ensure accuracy and integrity of the data. These Smart Synch meter reads are collected by Utilismart’s Transaction Management System (TMS).</p> <p>THESL plans to continue using Utilismart as a service provider for commercial SmartSynch meter reads until TMS is eventually implemented “in-house.” But until TMS is implemented at THESL, the number of SmartSynch meter reads provided by Utilismart will increase substantially in the next few years. For 2009, the estimated revenue from SmartSynch meters is \$100 million.</p> <p>(09-MOT-01)</p>	<p>Establish business contract and/or Service Level Agreement (SLA) with vendors (i.e. Utilismart) and monitor service per SLA requirements. An appropriate SLA would ensure accuracy, completeness and timeliness of meter data delivery.</p> <p>Or, as an alternative, implement TMS at THESL and bring the SmartSynch Meter Reading process “in-house” as soon as possible.</p>	<p>The anticipated date to bring TMS “in-house” is March 2012 following the implementation of CC&amp;B in July.</p> <p><u>However, the following should be noted:</u></p> <p>Since the meters read by Utilismart are processed through our MV90 and MVSTAR systems and are subject to the same VEE services as the other RIMS meters, <b>management believes adequate compensating controls are in place to ensure data quality (management does not believe this Gap is a high risk).</b></p> <p>Furthermore, monthly load analysis is performed at a high level to ensure the consumption THESL pays to the IESO matches the consumption billed to customers, less line losses.</p>	High	ICFR	VP, Customer Care & CCO	<p>30-Jun10</p> <p>New date:</p> <p>31-Dec-10</p> <p>New date:</p> <p>31-Mar-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
2.	<p>A consistent process does not exist for granting and removing network access privileges for users who have left the company or whose business role has changed (transfers). In addition, there is no consistent process to inform/request the help desk to modify/remove the user's previous network access. Also, users' network access is not updated / removed in a timely manner.</p> <p>Students or Contractor IDs were not set-up to 'auto expire' after a certain date. The periodic review of network accounts did not highlight these accounts as these were under the 90 day inactivity threshold.</p> <p>This gap has been noted every year since 2007 and was closed early in 2010 when the Identity Access Management (IAM) initiative was implemented. However, within a few months after the IAM initiative, the solution encountered problems and this gap was re-opened.</p> <p>As of October 30, 2010, a final cost of \$6.1M was estimated for the Identity Access Management (IAM) initiative, as part of the overall IT Security Program to help resolve this issue. This project was expected to last 3 years (2008-2010) and was executed as 6 separate projects. To date, these exceptions continue to exist.</p> <p>There is a risk of users obtaining access not compatible with their business role and an increased likelihood of unauthorized access if user IDs are not removed in a timely manner. THC's Cyber Security Policy requires user access/rights to information, processing facilities and various Toronto Hydro locations be removed immediately on termination of employment/contract, or be adjusted for any change in employment or status.</p> <p><b>This gap was identified in 2007-2010</b></p> <p>(11-ITGC-01)</p>	<p>Develop and implement a process to ensure that access changes resulting from internal transfers / terminations are implemented in a timely manner. The long term viability of the IAM initiative should be investigated since these exceptions continue to exist regardless of the expenditures made to address the issues.</p> <p>Management should consider implementing the network's 'auto expire' control for students and contractors.</p>	<p>The new IT management group has reviewed, in detail, the IAM process to mitigate residual risk and contain costs. In the second quarter, an "On-Boarding, Position Change and Off-Boarding Program" has been created to formally address the issues described in this gap. The collaborative effort spans the entire organization.</p> <p>In the interim the User System Attestation Process has been implemented and executed to mitigate the risk to a tolerable level.</p> <p>Furthermore, a 90 day as well as role dependent threshold have been created and implemented for students and contractors.</p>	High	ICFR	VP, IT & Strategy Management & VP, OE & EHS	<p>30-Sep-11</p> <p>New date:</p> <p>31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
3.	<p>The process to ensure accuracy of bill presentment needs improvement.</p> <p>In 2010, a class action law suit was launched against THESL on over charging customer for Late Payment Fees.</p> <p>(11-CS-01)</p>	<p>Implement process for bill presentment change review to ensure changes are reviewed by appropriate departments (i.e. Legal, Regulatory, etc.) to ensure that bills are accurate and consistent with regulatory requirements.</p>	<p>Revised late fee language on customer bill was updated on Dec 9, 2010.</p> <p>Additional review of bill image found wording of "payable to" on bill stub, to be updated to full THESL name, including Limited. Customer bill image updated March 15, 2011.</p> <p>Implemented procedures for bill presentment change review. (i.e. by related departments such as Legal, Regulatory, etc.) to ensure bill presentment change is approved before it's released. Currently, Legal Department is launching a company-wide regulatory risk model. Customer Service will join the effort with Legal to assess the related regulatory risks.</p> <p>In addition, bill presentment will be reviewed by related departments on a periodic basis to ensure it remains compliant with any changes to the Legal or Regulatory landscape.</p>	High	ICFR	VP, Customer Care & CCO	<p>31-Dec-11</p> <p>New date: 31-Mar-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
4.	<p><i>Procedures in invoicing, payment and connection were not followed in accordance with the Conditions of Service and contract requirements.</i></p> <p>1. Invoices were not issued in a timely manner. For example, work performed in 2008 and 2009 was not invoiced until June 2010.</p> <p>Further, for 2010 and 2011 work performed, no invoice has been issued.</p> <p>2. Services were connected without payment. We noted 343 bus shelters were connected for 2008 and 2009. However, payment was received in Oct. and Dec. 2010, long after the services were connected. According to Conditions of Service, payment must be received prior to service connection.</p> <p>3. Interest was not charged on late payments. We noted that THESL did not receive payment for 2008 and 2009 work done until Oct. and Dec. 2010 for invoices issued on Jun. 30, 2010. And yet, no late payment interest was charged. According to the Contract Agreement Article 13, interest charge (@ 19.56% annual rate) should be applied 30 days after the invoice day.</p> <p>4. No deposit was required before work performed. We noted that no deposits were required for all Astral Media Bus Shelters THESL had performed work. According to Condition of Service, work must be performed after deposits or full payments are received.</p> <p>(11-AMSR-01)</p>	<p>Implement procedure to ensure :</p> <ol style="list-style-type: none"> <li>1. invoices are issued timely;</li> <li>2. service is turned on <u>only after</u> payment is received</li> <li>3. interest on late payment is applied when payment is past due;</li> </ol> <p>deposit is received before work performed unless full payment is received up front.</p>	<p>Going forward, as of September 1, 2011, we will implement procedure to ensure :</p> <ol style="list-style-type: none"> <li>1. invoices are issued timely;</li> <li>2. service is turned on only after payment is received</li> <li>3. interest on late payment is applied when payment is past due;</li> </ol> <p>deposit is received before work performed unless full payment is received up front.</p>	Medium	Process	VP, Distribution Grid Management	30-Jun-12	Remediation in Progress





# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Remediation Status
5.	There is no integrated master business continuity plan (BCP).  (07-CG-01)	Develop and test a business continuity plan that addresses the relocation of people, continuity of business functions and processes, includes a business impact assessment and integrates pandemic planning and recovery point objectives.	<p>Since the Ontario Energy Board's Q1 2012 decision on Toronto Hydro's rate application, Corporate Emergency Management has had to revise its approach in staying on target to develop business continuity planning. Coupled with this, the department also saw its inaugural manager resign in December 2011 and its responsibilities reassigned to the Manager of Distribution Grid Operations.</p> <p>With the designated responsible persons unable to complete the vulnerability assessment on January 27th, 2012, as scheduled, the decision was made to begin work on developing a business continuity plan (BCP) for the first Enterprise Critical Function (ECF). It is projected that within the time it takes to develop this BCP, the vulnerability assessment can be rescheduled and completed to prioritize the order in which the remaining ECFs will be assigned resources for business continuity.</p> <p>This approach in the interim is sound as there are currently no BCPs for any critical functions at Toronto Hydro. As the ECFs were ranked in order of importance, BCP development on ECF 1 is a logical step to ensuring business continuity remains active during Toronto Hydro's current period of uncertainty.</p> <ol style="list-style-type: none"> <li>1. Begin process mapping and business continuity plan development for the first enterprise critical function</li> <li>2. Develop risk mitigation, reduction and transfer options for presentation to senior management</li> <li>3. Execute risk options chosen by senior management</li> </ol>	Medium	Process	VP, IT & Strategy Management	31-Dec-08  New date: 31-Dec-09  New date: 31-Dec-11  New date: 30-Jun-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
6.	<p>Our review of the overall timekeeping process for TH shows that the process is fragmented and that procedures are not consistent between BUs. BUs have developed separate requirements for employees to follow and different methods to record labour hours. For instance, IT recently implemented an electronic timesheet process that is not available to other BUs. Generally, the Timekeeping process is not managed as a TH-wide process and governed by the same criteria across all BUs.</p> <p>In addition, our review of timesheets produced from the electronic timekeeping process recently implemented by IT, showed the following deficiencies:</p> <ul style="list-style-type: none"> <li>No differentiation between standard hours and overtime/extended hours (which need to be tracked for employees and consultants).</li> <li>No employee name.</li> <li>No labour codes.</li> <li>No information regarding the type of overtime (i.e. planned, extended shift, emergency).</li> <li>No documentation showing approval.</li> </ul> <p>(10-TMK-05)</p>	<p>Timekeeping is a key process that should be a centralized function for the entire company, where requirements and criteria are developed by subject matter experts with diverse areas of expertise.</p> <p>While individual BUs may require some flexibility in defining their information needs, changes to the basic timesheet format should be approved by Program Management and/or a group assigned the task of overseeing timesheet responsibilities.</p>	<p>The new timekeeping project has been formally launched in Q2 2011. This project will centralize all timekeeping functions within the organization and will ensure consistent policies are applied across all departments. This project will be supported by an IT solution which is currently being developed. Vendor selected; in progress.</p> <p>It should be noted that the current HR policy (for management) and the collective agreement (for union employees) define all the related procedures. Management is currently developing an engagement and communication strategy to reinforce the rules.</p> <p>A new project schedule and revised go-live date will be presented at the next Timekeeping Steering Committee meeting due to project scope changes.</p>	Medium	ICFR	VP, Distribution Services & VP, IT & Strategy Management	<p>31-Dec-10</p> <p>New date: 31-Dec-11</p> <p>New date: 30-Jun-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
7.	<p>Position titles do not align with the Authority Matrix. For example, Positions such as Enterprise Architect (position has \$150K limit), Portfolio Coordinator, Financial Reporting Coordinator, Systems Consultant, and Project Leader.</p> <p>There are employees and/or positions that have unrestricted authority limits.</p> <p>Contract personnel have been assigned authority levels, some having unrestricted limits.</p> <p>(11-PRO-04)</p>	<p>HR and support resources should review authorization and access set-ups on a regular basis.</p> <p>Position titles should align with the Limits of Authority Matrix. The Matrix should be amended to reflect new position titles or position titles should be standardized.</p> <p>The Limits of Authority Matrix should address contractors who have signing authority.</p>	<p>OE will make required changes upon receipt of a report detailing authority limits.</p> <p>Management believes this gap is a low risk.</p>	Medium	ICFR	VP, OE & EHS	<p>31-Dec-11</p> <p>New date: 30-Jun-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
8.	<p>The engagement process was not in compliance to the Procurement Policy.</p> <ul style="list-style-type: none"> <li>Scroggie Creek Consulting is the Canadian subsidiary of Davies Consulting, a US based company providing engineering services to TH. During 2010 invoicing totaled approximately \$500K. In reviewing the file for Scroggie Creek, it was noted that no contract was executed as required by the Procurement Policy.</li> <li>The Integrated Restoration Plan valued at \$307K was sole sourced to Scroggie Creek.</li> <li>The reason for the Sole Source purchase states that the BU completed a due diligence however there was no evidence of the report in the file.</li> <li>One application for work completed by Navigant Consulting was over the \$250K limit allowed for Preferred Vendor purchases. It was confirmed with the BU that this was a continuation of services commissioned by TH and OPA. As reported by the BU, services were for a study and would be paid 50% by OPA. However, the contract expired in April/09 and had a limit of \$309K. BU has since used a phased approach to engage Navigant's services which does not consider total job value (artificially divided) which is non compliant to the Policy. Navigant has been awarded work through sole source requests. No in-force contract was evident.</li> </ul> <p>(11-PRO-09)</p>	Supply Chain Services management identified Scroggie Creek as requiring action due to no contract however there should be a process that focuses on preventive controls rather than detective controls thus ensuring BU compliance to the Procurement Policy and negating management override of established controls.	Supply Chain has taken a more proactive approach in monitoring vendor spend so the \$250/\$500K contract requirement is not overridden. Oversight begins at the \$200K spend level.	Medium	Process	VP, Asset Management	31-Mar-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q4, 2011

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
9.	<p>We reviewed the progress on the development of an Overtime Policy and found the following:</p> <p>1. "Time in lieu" and standby are not effectively monitored.</p> <p>A guideline was mailed to all employees in September 2011. A "time in lieu" upper limit has not been identified for management / professional employees (for union personnel it is 56 hours annually). No limit invites potential abuse.</p> <p>In addition, standby requirements / compensation for management / professional employees are not regulated by a methodology document that clearly defines all scenarios.</p> <p>2. We noted in a review of 2011 overtime data for management / professional employees, that compensation for overtime is not applied consistently to management / professional staff across the corporation. For example, some BUs (such as IT and Rates &amp; Treasury) allow management / professional employees to claim overtime, while other departments (such as THESL Finance) do not have the same benefit. As well, construction Supervisors claim overtime while other Supervisors may not.</p> <p>The current policy provides no clear definition of when overtime applies to management / professional staff, with the exception of when union personnel must be supervised or instances when tasks must be completed (i.e. Level 3 emergency).</p> <p>(10-TMK-04&amp;06)</p>	<p>Management should review and update the Overtime Policy to include detailed guidelines regarding overtime claims for all employee categories.</p> <p>Policy must be clearly communicated to all employees.</p> <p>The Overtime Policy should address what documents must be retained as evidence of overtime pre-approvals (i.e. if pre-approval is normally verified by email, the email should be printed and filed with the timesheet).</p> <p>Exception timesheets should indicate if overtime is planned or an emergency "call-out."</p>	<p><b>May 2010</b></p> <p>Human Resources is currently reviewing the Overtime Policy.</p> <p>Overtime payment and entitlement (including the rules that apply for supervisors) is detailed in the existing Overtime Policy (Section 5.2). HR is unaware of instances where this aspect of the policy is not being applied, but is able to provide support and assistance as necessary.</p> <p><b>December 2011</b></p> <p>Management is currently reviewing the Overtime Policy. Guidelines will be clearly defined and every effort will be made to align the terms with business rules and requirements with the roll-out of the new Timekeeping software.</p>	Medium	ICFR	VP, OE & EHS	<p>30-Sep-10</p> <p>New date: 31-Mar-12</p>	<p>Remediation in Progress</p> <p><i>Closed Pending Verification in July 2010</i></p> <p><i>Re-opened in December 2011</i></p>



# Internal Audit Department

Summary of Q1, 2012 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on May 15, 2012



# 1. Quarter-end Status Highlights

ICFR / Process	2012	2011				2010	
	Q1*	Q4	Q3	Q2	Q1	Q4	Q3
Gaps Closed	14 (10 ICFR)	14 (5 ICFR)	19 (9 ICFR)	15 (8 ICFR)	15 (10 ICFR)	12 (3 ICFR)	3 (1 ICFR)
Gap Status	Good	Good	Good	Good	Good	Good	Good
Internal Audit Reports Issued	3	5	6	4	6	2	1
Gaps outstanding at Quarter-End	18 (3H, 5M, 10L)	18 (3H, 6M, 9L)	11 (3H, 5M, 3L)	10 (2H, 5M, 3L)	14 (2H, 8M, 4L)	7 (1H, 4M, 2L)	14 (2H, 7M, 5L)

\* Includes reports issued & gaps closed to May 8, 2012

<b>Advisory</b>		
Enterprise Risk Management	}	Participate in regular meetings.



## 2. Summary of Remediation Activities March 31, 2012

Departments	Gaps Outstanding December 31, 2011	New Gaps	Remediated Gaps	Gaps Outstanding March 31, 2012 (incl. reports issued & gaps closed to May 8, 2012)
Operations	4	0	2	2
Customer Services	2	0	0	2
Organizational Effectiveness & EHS	8	1	4	5
Finance and Regulatory Affairs	1	4	3	2
IT & S	2	9	5	6
Governance	1	0	0	1
<b>Total</b>	<b>18</b>	<b>14</b>	<b>14</b>	<b>18</b>





### 3. Gaps Aging – March 31, 2012

Departments	Gaps Identified			Gaps Outstanding March 31, 2012 (incl. reports issued & gaps closed to May 8, 2012)	Gaps That are Past Due Management's Target Completion Date
	(Period)				
	Less Than 6 Months	6 Months to 1 Year	More Than 1 Year		
Operations	1	0	1 (Gap #6)	2	
Customer Services	1	0	1 (Gap #1)	2	
Organizational Effectiveness & EHS	4	0	1 (Gap #7)	5	
Finance and Regulatory Affairs	1	0	1 (Low)	2	
IT & S	4	1	1 (Gap #5)	6	
Governance	0	0	1 (Low)	1	
Total	11	1	6	18	0

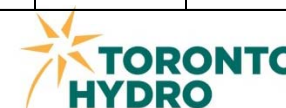
Note: Gaps aging is based on the date the gap is assigned to the process owner. Gaps open more than one year has been growing and now represents 1/3 of outstanding gaps.



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
1.	<p>We found no contract and/or Service Level Agreement (SLA) between THESL and Utilismart who collect meter reads for over 500 commercial meters. As the outsourced provider, we rely on Utilismart's processes to ensure accuracy and integrity of the data. These Smart Synch meter reads are collected by Utilismart's Transaction Management System (TMS).</p> <p>THESL plans to continue using Utilismart as a service provider for commercial SmartSynch meter reads until TMS is eventually implemented "in-house." But until TMS is implemented at THESL, the number of SmartSynch meter reads provided by Utilismart will increase substantially in the next few years. For 2009, the estimated revenue from SmartSynch meters is \$100 million.</p> <p>(09-MOT-01)</p>	<p>Establish business contract and/or Service Level Agreement (SLA) with vendors (i.e. Utilismart) and monitor service per SLA requirements. An appropriate SLA would ensure accuracy, completeness and timeliness of meter data delivery.</p> <p>Or, as an alternative, implement TMS at THESL and bring the SmartSynch Meter Reading process "in-house" as soon as possible.</p>	<p>The anticipated date to bring TMS "in-house" is March 2012 following the implementation of CC&amp;B in July.</p> <p><u>However, the following should be noted:</u></p> <p>Since the meters read by Utilismart are processed through our MV90 and MVSTAR systems and are subject to the same VEE services as the other RIMS meters, <b>management believes adequate compensating controls are in place to ensure data quality (management does not believe this Gap is a high risk).</b></p> <p>Furthermore, monthly load analysis is performed at a high level to ensure the consumption THESL pays to the IESO matches the consumption billed to customers, less line losses.</p>	High	ICFR	VP, Customer Care & CCO	<p>30-Jun10</p> <p>New date:</p> <p>31-Dec-10</p> <p>New date:</p> <p>31-Mar-12</p> <p>New date:</p> <p>31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
2.	<p>A consistent process does not exist for granting and removing network access privileges for users who have left the company or whose business role has changed (transfers). In addition, there is no consistent process to inform/request the help desk to modify/remove the user's previous network access. Also, users' network access is not updated / removed in a timely manner.</p> <p>Students or Contractor IDs were not set-up to 'auto expire' after a certain date. The periodic review of network accounts did not highlight these accounts as these were under the 90 day inactivity threshold.</p> <p>This gap has been noted every year since 2007 and was closed early in 2010 when the Identity Access Management (IAM) initiative was implemented. However, within a few months after the IAM initiative, the solution encountered problems and this gap was re-opened.</p> <p>As of October 30, 2010, a final cost of \$6.1M was estimated for the Identity Access Management (IAM) initiative, as part of the overall IT Security Program to help resolve this issue. This project was expected to last 3 years (2008-2010) and was executed as 6 separate projects. To date, these exceptions continue to exist.</p> <p>There is a risk of users obtaining access not compatible with their business role and an increased likelihood of unauthorized access if user IDs are not removed in a timely manner. THC's Cyber Security Policy requires user access/rights to information, processing facilities and various Toronto Hydro locations be removed immediately on termination of employment/contract, or be adjusted for any change in employment or status.</p> <p><b>This gap was identified in 2007-2010</b> (11-ITGC-01)</p>	<p>Develop and implement a process to ensure that access changes resulting from internal transfers / terminations are implemented in a timely manner. The long term viability of the IAM initiative should be investigated since these exceptions continue to exist regardless of the expenditures made to address the issues.</p> <p>Management should consider implementing the network's 'auto expire' control for students and contractors.</p>	<p>The new IT management group has reviewed, in detail, the IAM process to mitigate residual risk and contain costs. In the second quarter, an "On-Boarding, Position Change and Off-Boarding Program" has been created to formally address the issues described in this gap. The collaborative effort spans the entire organization.</p> <p>In the interim the User System Attestation Process has been implemented and executed to mitigate the risk to a tolerable level.</p> <p>Furthermore, a 90 day as well as role dependent threshold have been created and implemented for students and contractors.</p> <p>OE &amp; EHS sends notification to IT and Security and Facilities to trigger activation and deactivation of employee access to systems and facilities.</p> <p>End dates have been implemented and are monitored for contractors, contract on payroll, students and other secondary positions.</p>	High	ICFR	<p>VP, IT &amp; Strategy Management &amp; VP, OE &amp; EHS</p>	<p>30-Sep-11</p> <p>New date: 31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
3.	<p>The process to ensure accuracy of bill presentment needs improvement.</p> <p>In 2010, a class action law suit was launched against THESL on over charging customer for Late Payment Fees.</p> <p>(11-CS-01)</p>	<p>Implement process for bill presentment change review to ensure changes are reviewed by appropriate departments (i.e. Legal, Regulatory, etc.) to ensure that bills are accurate and consistent with regulatory requirements.</p>	<p>Revised late fee language on customer bill was updated on Dec 9, 2010.</p> <p>Additional review of bill image found wording of "payable to" on bill stub, to be updated to full THESL name, including Limited. Customer bill image updated March 15, 2011.</p> <p>Implemented procedures for bill presentment change review. (i.e. by related departments such as Legal, Regulatory, etc.) to ensure bill presentment change is approved before it's released. Currently, Legal Department is launching a company-wide regulatory risk review. Customer Service will join the effort with Legal to assess the related regulatory risks.</p> <p>In addition, bill presentment will be reviewed by related departments on a periodic basis to ensure it remains compliant with any changes to the Legal or Regulatory landscape.</p>	High	ICFR	VP, Customer Care & CCO	<p>31-Dec-11</p> <p>New date: 31-Mar-12</p> <p>New date: 31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2012

### Outstanding Gaps Ranked "Medium" (5):

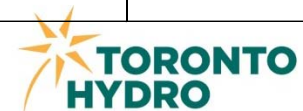
Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
4.	<p>An analysis of invoices from Valard Construction showed that invoices dated April / May 2011 (approximate value of \$1M) did not have an approved corresponding purchase requisition (PR) until the middle of July 2011. However, the TH process for engaging contractors requires that before any work is performed, a PR and purchase order (PO) must be created to ensure that costs are monitored, accrued to the correct accounting period and subsequently paid.</p> <p>When Valard Construction and their sub-contractors contacted TH Accounts Payable in July 2011 to request payment of outstanding invoices, it was determined that the invoices had been received by the Business Unit but not forwarded to Accounts Payable for payment.</p> <p>The contract between TH and Valard Construction implies that all documentation and communication should be sent to the TH Supply Chain Supervisor. The end result was that invoices were sent to a TH employee who was not responsible for payment.</p> <p>(12-TFIN-01)</p>	<p>A purchase requisition and purchase order must be created by the initiating Business Unit before a contractor performs work for Toronto Hydro to ensure that the work is authorized, costs are appropriately accrued and payment is made.</p> <p>Clearly defined billing instructions should be stated in contracts between TH and approved contractors. For example, instructions should include the requirement for invoices to be sent to 14 Carlton Street; Attention: Accounts Payable.</p>	<p>THESL Finance will re-communicate the process to key departmental staff regarding purchase requisitions and purchase orders, including the requirement that no work is performed unless these documents have been created. This is expected to be completed by the end of 2012.</p> <p>Legal department will ensure that proper instructions are provided in future contracts.</p>	Medium	ICFR	THESL Controller & CFO	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2012

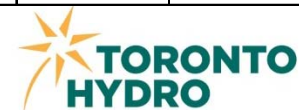
Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Remediation Status
5.	There is no integrated master business continuity plan (BCP).  (07-CG-01)	Develop and test a business continuity plan that addresses the relocation of people, continuity of business functions and processes, includes a business impact assessment and integrates pandemic planning and recovery point objectives.	<p>Since the Ontario Energy Board's Q1 2012 decision on Toronto Hydro's rate application, Corporate Emergency Management has had to revise its approach in staying on target to develop business continuity planning. Coupled with this, the department also saw its inaugural manager resign in December 2011 and its responsibilities reassigned to the Manager of Distribution Grid Operations.</p> <p>With the designated responsible persons unable to complete the vulnerability assessment on January 27th, 2012, as scheduled, the decision was made to begin work on developing a business continuity plan (BCP) for the first Enterprise Critical Function (ECF). It is projected that within the time it takes to develop this BCP, the vulnerability assessment can be rescheduled and completed to prioritize the order in which the remaining ECFs will be assigned resources for business continuity.</p> <p>BCP development on ECF 1 is a logical step to ensuring business continuity remains active during Toronto Hydro's current period of uncertainty.</p> <ol style="list-style-type: none"> <li>1. Begin process mapping and business continuity plan development for the first enterprise critical function</li> <li>2. Develop risk mitigation, reduction and transfer options for presentation to senior management</li> <li>3. Execute risk options chosen by senior management</li> </ol>	Medium	Process	VP, IT & Strategy Management	31-Dec-08  New date: 31-Dec-09  New date: 31-Dec-11  New date: 31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
6.	<p>Our review of the overall timekeeping process for TH shows that the process is fragmented and that procedures are not consistent between BUs. BUs have developed separate requirements for employees to follow and different methods to record labour hours. For instance, IT recently implemented an electronic timesheet process that is not available to other BUs. Generally, the Timekeeping process is not managed as a TH-wide process and governed by the same criteria across all BUs.</p> <p>In addition, our review of timesheets produced from the electronic timekeeping process recently implemented by IT, showed the following deficiencies:</p> <ul style="list-style-type: none"> <li>No differentiation between standard hours and overtime/extended hours (which need to be tracked for employees and consultants).</li> <li>No employee name.</li> <li>No labour codes.</li> <li>No information regarding the type of overtime (i.e. planned, extended shift, emergency).</li> <li>No documentation showing approval.</li> </ul> <p>(10-TMK-05)</p>	<p>Timekeeping is a key process that should be a centralized function for the entire company, where requirements and criteria are developed by subject matter experts with diverse areas of expertise.</p> <p>While individual BUs may require some flexibility in defining their information needs, changes to the basic timesheet format should be approved by Program Management and/or a group assigned the task of overseeing timesheet responsibilities.</p>	<p>The new timekeeping project has been formally launched in Q2 2011. This project will centralize all timekeeping functions within the organization and will ensure consistent policies are applied across all departments. This project will be supported by an IT solution which is currently being developed. Vendor selected; in progress.</p> <p>It should be noted that the current HR policy (for management) and the collective agreement (for union employees) define all the related procedures. Management is currently developing an engagement and communication strategy to reinforce the rules.</p> <p>Timekeeping Foundation Project Team currently working with Vendor to design and configure the system to meet Toronto Hydro requirements. Go-Live date expected January 1, 2013.</p>	Medium	ICFR	VP, Distribution Services & VP, IT & Strategy Management	<p>31-Dec-10</p> <p>New date: 31-Dec-11</p> <p>New date: 31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
7.	<p>We reviewed the progress on the development of an Overtime Policy and found the following:</p> <p>1. "Time in lieu" and standby are not effectively monitored.</p> <p>A guideline was mailed to all employees in September 2011. A "time in lieu" upper limit has not been identified for management / professional employees (for union personnel it is 56 hours annually). No limit invites potential abuse.</p> <p>In addition, standby requirements / compensation for management / professional employees are not regulated by a methodology document that clearly defines all scenarios.</p> <p>2. We noted in a review of 2011 overtime data for management / professional employees, that compensation for overtime is not applied consistently to management / professional staff across the corporation. For example, some BUs (such as IT and Rates &amp; Treasury) allow management / professional employees to claim overtime, while other departments (such as THESL Finance) do not have the same benefit. As well, construction Supervisors claim overtime while other Supervisors may not.</p> <p>The current policy provides no clear definition of when overtime applies to management / professional staff, with the exception of when union personnel must be supervised or instances when tasks must be completed (i.e. Level 3 emergency).</p> <p>(10-TMK-04&amp;06)</p>	<p>Management should review and update the Overtime Policy to include detailed guidelines regarding overtime claims for all employee categories.</p> <p>Policy must be clearly communicated to all employees.</p> <p>The Overtime Policy should address what documents must be retained as evidence of overtime pre-approvals (i.e. if pre-approval is normally verified by email, the email should be printed and filed with the timesheet).</p> <p>Exception timesheets should indicate if overtime is planned or an emergency "call-out."</p>	<p><b>May 2010</b></p> <p>Human Resources is currently reviewing the Overtime Policy.</p> <p>Overtime payment and entitlement (including the rules that apply for supervisors) is detailed in the existing Overtime Policy (Section 5.2). HR is unaware of instances where this aspect of the policy is not being applied, but is able to provide support and assistance as necessary.</p> <p><b>December 2011</b></p> <p>Management is currently reviewing the Overtime Policy. Guidelines will be clearly defined and every effort will be made to align the terms with business rules and requirements with the roll-out of the new Timekeeping software.</p> <p><b>March 2012</b></p> <p>Management Compensation Policy to be reviewed by Policy Administration Steering Committee in May 2012.</p>	Medium	ICFR	VP, OE & EHS	<p>30-Sep-10</p> <p>New date: 31-Mar-12</p> <p>New date: 31-Dec-12</p>	<p>Remediation in Progress</p> <p><i>Closed Pending Verification in July 2010</i></p> <p><i>Re-opened in December 2011</i></p>





# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q1, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
8.	<p>We noted some of the smart meter servers were not recently patched for security updates. Also, periodic update / patching of certain desktop application software was not performed. In addition, monitoring of desktop antivirus scan activities was not performed.</p> <p>(12-ITGC-02)</p>	<p>Regular update of TH's systems (especially critical smart meter servers and desktop application software) with patches and configuration changes that address identified security and vulnerability issues should be performed. Regular audits of desktops, administrative access and unauthorized software installed on desktops should also be performed. IT needs to pay greater attention to software that has been downloaded to desktops and laptops. These applications are becoming the primary point of attack because these vulnerabilities may be easier to exploit than vulnerabilities on a server.</p>	<p>The Operations Team is continuing to extend and mature the PVG (Patch and Vulnerability) process on MVSsystems, ODS, and the remainder of Toronto Hydro's critical applications as planned. MAS was patched at the end of November 2011 as part of the PVG program.</p> <p>We will continue to review and expand the PVG process to critical environments based on the BIA report and collaborate with Client Services to develop strategies to extend the program to third party applications (i.e. Adobe and Java) based on system criticality and exposure.</p>	Medium	ICFR	VP, IT & Strategy Management	31-Dec-12	Remediation in Progress



# Internal Audit Department

Summary of Q2, 2012 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on August 13, 2012



# 1. Quarter-end Status Highlights

ICFR / Process	2012		2011				2010
	Q2*	Q1	Q4	Q3	Q2	Q1	Q4
Gaps Closed	10 (8 ICFR)	14 (10 ICFR)	14 (5 ICFR)	19 (9 ICFR)	15 (8 ICFR)	15 (10 ICFR)	12 (3 ICFR)
Gap Status	Good	Good	Good	Good	Good	Good	Good
Internal Audit Reports Issued	1	3	5	6	4	6	2
Gaps outstanding at Quarter-End	20 (1H, 10M, 9L)	18 (3H, 5M, 10L)	18 (3H, 6M, 9L)	11 (3H, 5M, 3L)	10 (2H, 5M, 3L)	14 (2H, 8M, 4L)	7 (1H, 4M, 2L)

\*Includes reports issued & gaps closed to August 02, 2012

<b>Advisory</b>			
<div>Enterprise Risk Management</div> <div> <div> </div> <div> </div> </div> <div>Participate in regular meetings.</div>			



## 2. Summary of Remediation Activities June 30, 2012

Departments	Gaps Outstanding March 31, 2012 (incl. reports issued & gaps closed to May 8, 2012)	New Gaps	Remediated Gaps	Gaps Outstanding July 31, 2012 (incl. reports issued & gaps closed to August 02, 2012)
Operations	2	0	0	2
Customer Services	2	11	4	9
Organizational Effectiveness & EHS	5	1*	4	2
Finance and Regulatory Affairs	2	0	0	2
IT & S	6	0	1	4*
Governance	1	0	0	1
<b>Total</b>	<b>18</b>	<b>11</b>	<b>9</b>	<b>20</b>

\*Reassigned one gap (11-ITGC-01) from IT&S to OE & EHS. This is not a new gap. This gap was closed by OE & EHS



### 3. Gaps Aging – June 30, 2012

Departments	Gaps Identified			Gaps Outstanding July 31, 2012 (incl. reports issued & gaps closed to August 02, 2012)
	(Period)			
	Less Than 6 Months	6 Months to 1 Year	More Than 1 Year	
Operations	0	1	1 (Gap # 7)	2
Customer Services	7	1	1 (Gap # 1)	9
Organizational Effectiveness & EHS	0	2	0	2
Finance and Regulatory Affairs	1	0	1 (Low)	2
IT & S	3	0	1 (Gap #6)	4
Governance	0	0	1 (Low)	1
Total	11	4	5	20

Gaps aging is based on the date the gap is assigned to the process owner. **Gaps open more than one year has been growing and now represents 1/4 of outstanding gaps.**



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

### Outstanding Gaps Ranked “High” (1):

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
1.	<p>We found no contract and/or Service Level Agreement (SLA) between THESL and Utilismart who collect meter reads for over 500 commercial meters. As the outsourced provider, we rely on Utilismart's processes to ensure accuracy and integrity of the data. These Smart Synch meter reads are collected by Utilismart's Transaction Management System (TMS).</p> <p>THESL plans to continue using Utilismart as a service provider for commercial SmartSynch meter reads until TMS is eventually implemented “in-house.” But until TMS is implemented at THESL, the number of SmartSynch meter reads provided by Utilismart will increase substantially in the next few years. For 2009, the estimated revenue from SmartSynch meters is \$100 million.</p> <p>(09-MOT-01)</p>	<p>Establish business contract and/or Service Level Agreement (SLA) with vendors (i.e. Utilismart) and monitor service per SLA requirements. An appropriate SLA would ensure accuracy, completeness and timeliness of meter data delivery.</p> <p>Or, as an alternative, implement TMS at THESL and bring the SmartSynch Meter Reading process “in-house” as soon as possible.</p>	<p>The anticipated date to bring TMS “in-house” is March 2012 following the implementation of CC&amp;B in July.</p> <p><u>However, the following should be noted:</u></p> <p>Since the meters read by Utilismart are processed through our MV90 and MVSTAR systems and are subject to the same VEE services as the other RIMS meters, <b>management believes adequate compensating controls are in place to ensure data quality (management does not believe this Gap is a high risk).</b></p> <p>Furthermore, monthly load analysis is performed at a high level to ensure the consumption THESL pays to the IESO matches the consumption billed to customers, less line losses.</p>	High	ICFR	VP, Customer Care & CCO	<p>30-Jun10</p> <p>New date:</p> <p>31-Dec-10</p> <p>New date:</p> <p>31-Mar-12</p> <p>New date:</p> <p>31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

### *Outstanding Gaps Ranked “Medium” (10):*

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
2.	<p>The process to ensure accuracy of bill presentment needs improvement.</p> <p>In 2010, a class action law suit was launched against THESL on over charging customer for Late Payment Fees.</p> <p>(11-CS-01)</p>	<p>Implement process for bill presentment change review to ensure changes are reviewed by appropriate departments (i.e. Legal, Regulatory, etc.) to ensure that bills are accurate and consistent with regulatory requirements.</p>	<p>Implemented procedures for bill presentment change review. (i.e. by related departments such as Legal, Regulatory, etc.) to ensure bill presentment change is approved before it's released. Currently, Management is launching a company-wide regulatory risk review. Customer Service will join the effort with Legal to assess the related regulatory risks.</p> <p>In addition, bill presentment will be reviewed by related departments on a periodic basis to ensure it remains compliant with any changes to the Legal or Regulatory landscape.</p> <p>It should be noted that no material changes have been made to the bill presentation since the inter-departmental review was done in 2010.</p>	Medium	Process	VP, Customer Care & CCO	<p>31-Dec-11</p> <p>New date: 31-Mar-12</p> <p>New date: 31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
3.	Customers may call TH and use their credit cards as a form of payment when their accounts are pending disconnect. However, Credit Card Primary Account Number (PAN) and Expiry Date entered in credit card payment ToDo's are stored in clear text (for a minimum of 1 day) prior to the execution of the nightly job that deletes completed credit card payment ToDo's from CC&B. This is a violation of Payment Card Industry (PCI) Data Security Standard (DSS). (12-CS-03)	Stored credit card information should be encrypted.	As stated, credit card numbers are deleted in the nightly batch jobs and access to view credit cards is restricted to Remittance agents only (less than 10 people – not all of Customer Care).  However, since PCI continues to be an issue, steps will be taken to rectify. We are exploring the possibility of implementing a process whereby credit card information can be entered directly into the Moneris authorization system, thereby bypassing entering the information into CC&B.	Medium	Process	VP, Customer Care & CCO & VP, IT & Strategic Management	31-Dec-12	Remediation in Progress

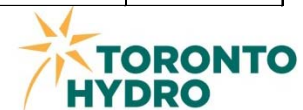




# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
4.	<p>A review of users with access to perform transactions in CC&amp;B indicated that excessive / inappropriate access was granted to users. Further, we noted that based on the current access granted to security roles, there is inadequate segregation of duties.</p> <p>The number of persons and groups with access to perform adjustments was not restricted. The ability to perform deposit adjustments was not limited to the CSRs. Metering Clerks can add, cancel and delete adjustments. Remittance Clerks (who handle cash and post cash into CC&amp;B) can also add, cancel and delete adjustments.</p> <p>The lack of segregation of duties analysis was also reported as a gap in the CC&amp;B pre-implementation review and at that time management stated that a post go-live review would be conducted of functions attached to roles and the users assigned to roles.</p> <p>This was originally assessed as 'High'. Due to low dollar impact, we have re-assessed this gap as 'Medium'</p> <p>(12-CS-04)</p>	<p>Management should perform a comprehensive review of the design of the security roles (a segregation of duties review) to determine the appropriateness of access granted to users roles within the application. In addition, reports should be developed / enhanced to identify cases where repetitive changes (e.g. adjustment transactions) are made to customer accounts.</p>	<p>Access to CC&amp;B information is based on business, security, resource requirements and the need to protect confidentiality of information. A review of role design and role assignments will be conducted in the next few months. In addition, we will implement an Audit functionality which would provide us with the similar controls that we had through the daily query that was run in Banner.</p>	Medium	Process	<p>VP, Customer Care &amp; CCO</p> <p>&amp;</p> <p>VP, IT &amp; Strategic Management</p>	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
5.	<p>An analysis of invoices from Valard Construction showed that invoices dated April / May 2011 (approximate value of \$1M) did not have an approved corresponding purchase requisition (PR) until the middle of July 2011. However, the TH process for engaging contractors requires that before any work is performed, a PR and purchase order (PO) must be created to ensure that costs are monitored, accrued to the correct accounting period and subsequently paid.</p> <p>When Valard Construction and their sub-contractors contacted TH Accounts Payable in July 2011 to request payment of outstanding invoices, it was determined that the invoices had been received by the Business Unit but not forwarded to Accounts Payable for payment.</p> <p>The contract between TH and Valard Construction implies that all documentation and communication should be sent to the TH Supply Chain Supervisor. The end result was that invoices were sent to a TH employee who was not responsible for payment.</p> <p>(12-TFIN-01)</p>	<p>A purchase requisition and purchase order must be created by the initiating Business Unit before a contractor performs work for Toronto Hydro to ensure that the work is authorized, costs are appropriately accrued and payment is made.</p> <p>Clearly defined billing instructions should be stated in contracts between TH and approved contractors. For example, instructions should include the requirement for invoices to be sent to 14 Carlton Street; Attention: Accounts Payable.</p>	<p>THESL Finance will re-communicate the process to key departmental staff regarding purchase requisitions and purchase orders, including the requirement that no work is performed unless these documents have been created. This is expected to be completed by the end of 2012.</p> <p>Legal department will ensure that proper instructions are provided in future contracts.</p>	Medium	ICFR	THESL Controller & CFO	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
6.	There is no integrated master business continuity plan (BCP).  (07-CG-01)	Develop and test a business continuity plan that addresses the relocation of people, continuity of business functions and processes, includes a business impact assessment and integrates pandemic planning and recovery point objectives.	<p>Since the Ontario Energy Board's Q1 2012 decision on Toronto Hydro's rate application, Corporate Emergency Management has had to revise its approach in staying on target to develop business continuity planning. Coupled with this, the department also saw its inaugural manager resign in December 2011 and its responsibilities reassigned to the Manager of Distribution Grid Operations.</p> <p>With the designated responsible persons unable to complete the vulnerability assessment on January 27th, 2012, as scheduled, the decision was made to begin work on developing a business continuity plan (BCP) for the first Enterprise Critical Function (ECF). It is projected that within the time it takes to develop this BCP, the vulnerability assessment can be rescheduled and completed to prioritize the order in which the remaining ECFs will be assigned resources for business continuity.</p> <p>BCP development on ECF 1 is a logical step to ensuring business continuity remains active during Toronto Hydro's current period of uncertainty.</p> <ol style="list-style-type: none"> <li>1. Begin process mapping and business continuity plan development for the first enterprise critical function</li> <li>2. Develop risk mitigation, reduction and transfer options for presentation to senior management</li> <li>3. Execute risk options chosen by senior management</li> </ol>	Medium	Process	VP, IT & Strategy Management	31-Dec-08  New date: 31-Dec-09  New date: 31-Dec-11  New date: 31-Dec-12  New date: 31-Dec-13	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
7.	<p>Our review of the overall timekeeping process for TH shows that the process is fragmented and that procedures are not consistent between BUs. BUs have developed separate requirements for employees to follow and different methods to record labour hours. For instance, IT recently implemented an electronic timesheet process that is not available to other BUs. Generally, the Timekeeping process is not managed as a TH-wide process and governed by the same criteria across all BUs.</p> <p>In addition, our review of timesheets produced from the electronic timekeeping process recently implemented by IT, showed the following deficiencies:</p> <ul style="list-style-type: none"> <li>No differentiation between standard hours and overtime/extended hours (which need to be tracked for employees and consultants).</li> <li>No employee name.</li> <li>No labour codes.</li> <li>No information regarding the type of overtime (i.e. planned, extended shift, emergency).</li> <li>No documentation showing approval.</li> </ul> <p>(10-TMK-05)</p>	<p>Timekeeping is a key process that should be a centralized function for the entire company, where requirements and criteria are developed by subject matter experts with diverse areas of expertise.</p> <p>While individual BUs may require some flexibility in defining their information needs, changes to the basic timesheet format should be approved by Program Management and/or a group assigned the task of overseeing timesheet responsibilities.</p>	<p>The new timekeeping project has been formally launched in Q2 2011. This project will centralize all timekeeping functions within the organization and will ensure consistent policies are applied across all departments. This project will be supported by an IT solution which is currently being developed. Vendor selected; in progress.</p> <p>It should be noted that the current HR policy (for management) and the collective agreement (for union employees) define all the related procedures. Management is currently developing an engagement and communication strategy to reinforce the rules.</p> <p>Timekeeping Foundation Project Team currently working with Vendor to design and configure the system to meet Toronto Hydro requirements. Go-Live date expected January 1, 2013.</p>	Medium	ICFR	VP, Distribution Services  & VP, IT & Strategy Management	<p>31-Dec-10</p> <p>New date: 31-Dec-11</p> <p>New date: 31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
8.	<p>We noted some of the smart meter servers were not recently patched for security updates. Also, periodic update / patching of certain desktop application software was not performed. In addition, monitoring of desktop antivirus scan activities was not performed.</p> <p>(12-ITGC-02)</p>	<p>Regular update of TH's systems (especially critical smart meter servers and desktop application software) with patches and configuration changes that address identified security and vulnerability issues should be performed. Regular audits of desktops, administrative access and unauthorized software installed on desktops should also be performed. IT needs to pay greater attention to software that has been downloaded to desktops and laptops. These applications are becoming the primary point of attack because these vulnerabilities may be easier to exploit than vulnerabilities on a server.</p>	<p>The Operations Team is continuing to extend and mature the PVG (Patch and Vulnerability) process on MVSystems, ODS, and the remainder of Toronto Hydro's critical applications as planned. MAS was patched at the end of November 2011 as part of the PVG program.</p> <p>We will continue to review and expand the PVG process to critical environments based on the BIA report and collaborate with Client Services to develop strategies to extend the program to third party applications (i.e. Adobe and Java) based on system criticality and exposure.</p>	Medium	Process	VP, IT & Strategy Management	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
9.	<p>Reports should be developed to enhance business productivity. As of the date of our review (Nov. 2011), we found that the Meter-To-Cash (MTC) report used to monitor completeness of billing was incomplete. Also, we noted that the Field Activity Type Report (CMRSO-FATYP) does not identify the meter type (as of the date of our review in Nov. 2011). By identifying the meter type, business productivity can be improved. In addition, we noted that non-essential report development was given a low priority during CC&amp;B implementation and this was reported as a gap in the CC&amp;B pre-implementation review.</p> <p>(12-CS-02)</p>	<p>Reports (especially the MTC and CMRSO-FATYP) should be enhanced to improve business productivity.</p>	<p>In order to Go-Live, decisions were made by the project team and executives as to what to take out of scope without increasing risk profile. Other than critical reports, it was determined that the balance of non-essential reports would be written post Go-Live. Reports have been prioritized and development and testing is ongoing. The Field Activity Type reports as well as other reports such as CMRSO-CSOR and report to identify incorrect meters for GS300 accounts are still pending.</p> <p>Management is currently working on these reports to mitigate the operational risk of delayed billing.</p>	Medium	Process	<p>VP, Customer Care &amp; CCO</p> <p>&amp;</p> <p>VP, IT &amp; Strategic Management</p>	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
10.	<p>ToDo's are exceptions or errors that are reported by CC&amp;B that require user review and corrective action. Based on our analysis, the number of outstanding / unresolved ToDo's was high and they were not cleared in a timely manner.</p> <p>Management runs two scripts daily to identify outstanding ToDo's. The output of these scripts is used to analyze, prioritize and assign ToDo's to staff for review and correction. However, based on our analysis, the department is unable to effectively clear these ToDo's in a timely manner due to resource restrictions.</p> <p>The volume and lack of a defined / documented process to manage ToDo's was also reported as a gap in the CC&amp;B pre-implementation review</p> <p>(12-CS-07)</p>	<p>A plan should be developed and resources should be assigned to clear outstanding ToDo's with the objective of reducing the number outstanding to only those generated within the current month.</p> <p>An aged pending bill report should be developed that helps identify all the pending bills that are aged beyond the billing cycle.</p> <p>A data cleaning exercise should be undertaken to add missing information to accounts converted with write-off balances and then the CC&amp;B write-off program should be executed to clear ToDo's.</p>	<p>ToDo's are a complex area as there are 200 different ToDo types and several different categories.</p> <p>In March 2012, 9 new scripts/queries were developed to better address ToDo management. The system for management continues to be optimized and a more formal process for management can be documented.</p> <p>Management is currently training staff at a third party provider to address resource issues. Continued work to correct technology issues and identify automation opportunities will assist over time with reducing backlogs.</p>	Medium	ICFR	<p>VP, Customer Care &amp; CCO</p> <p>&amp;</p> <p>VP, IT &amp; Strategic Management</p>	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q2, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
11.	<p>We found the following user actions that impact deposits processing are not reported for supervisory review and follow-up:</p> <p>i. No reports are produced that highlight accounts that are set-up without a deposit requirement or where the deposit requirement was changed from the recommended amount. We found that commercial accounts were set-up without a deposit requirement and with no explanation why the deposits were waived.</p> <p>ii. Deposit reassessment is done annually, not necessarily on the anniversary of the security deposit. As of Nov. 2011, the deposit reassessment process did not accommodate the latest OEB changes that allow customers to pay the security deposit by instalments.</p> <p>(12-CS-12)</p>	<p>Reports should be developed to report instances where deposits were waived and/or changed from the recommended amount. Further, deposit reassessments should be performed more frequently, which aligns with OEB's recent changes.</p>	<p>A deposit report is currently being developed. Once received, we will begin the regular processes of reviewing deposits that are waived or changed from the recommended amount. Furthermore, CSR's have been trained on this and will create a pay plan should the customer wish to do this.</p> <p>The deposit reassessment is done annually and not necessarily on the anniversary of the security deposit. We are currently developing a functionality to allow this in CC&amp;B and it is expected to be delivered before end of 2012.</p>	Medium	Process	<p>VP, Customer Care &amp; CCO</p> <p>&amp;</p> <p>VP, IT &amp; Strategic Management</p>	31-Dec-12	Remediation in Progress





# Internal Audit Department

Summary of Q3, 2012 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on November 13, 2012



# 1. Quarter-end Status Highlights

ICFR / Process	2012			2011			
	Q3*	Q2	Q1	Q4	Q3	Q2	Q1
Gaps Closed	3 (2 ICFR)	10 (8 ICFR)	14 (10 ICFR)	14 (5 ICFR)	19 (9 ICFR)	15 (8 ICFR)	15 (10 ICFR)
Gap Status	Good	Good	Good	Good	Good	Good	Good
Internal Audit Reports Issued	1	1	3	5	6	4	6
Gaps outstanding at Quarter-End	21 (1H, 10M, 10L)	20 (1H, 10M, 9L)	18 (3H, 5M, 10L)	18 (3H, 6M, 9L)	11 (3H, 5M, 3L)	10 (2H, 5M, 3L)	14 (2H, 8M, 4L)

\*Includes reports issued & gaps closed to October 31, 2012

## Advisory

Enterprise Risk Management



Participate in regular meetings.



## 2. Summary of Remediation Activities as at October 31, 2012

Departments	Gaps Outstanding July 31, 2012 (incl. reports issued & gaps closed to August 02, 2012)	New Gaps	Remediated Gaps	Gaps Outstanding October 31, 2012
Operations	2	0	0	2
Customer Services	9	0	2	7
Organizational Effectiveness & EHS	2	0	0	2
Finance and Regulatory Affairs	2	4	1	5
IT & S	4	0	0	4
Governance	1	0	0	1
<b>Total</b>	<b>20</b>	<b>4</b>	<b>3</b>	<b>21</b>



### 3. Gaps Aging – October 31, 2012

Departments	Gaps Identified			Gaps Outstanding September 30, 2012 (incl. reports issued & gaps closed to October 16, 2012)
	(Period)			
	Less Than 6 Months	6 Months to 1 Year	More Than 1 Year	
Operations	0	1	1 (Gap # 6)	2
Customer Services	6	0	1 (Gap # 1)	7
Organizational Effectiveness & EHS	0	2	0	2
Finance and Regulatory Affairs	4	0	1 (Low)	5
IT & S	0	3	1 (Gap # 5)	4
Governance	0	0	1 (Low)	1
Total	10	6	5	21

Gap “aging” begins on the date the gap is assigned to the process owner and is not a reflection of missed target remediation dates.

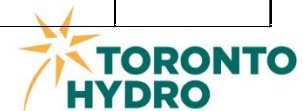


# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

### Outstanding Gaps Ranked “High” (1):

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
1.	<p>We found no contract and/or Service Level Agreement (SLA) between THESL and Utilismart who collect meter reads for over 500 commercial meters. As the outsourced provider, we rely on Utilismart's processes to ensure accuracy and integrity of the data. These SmartSynch meter reads are collected by Utilismart's Transaction Management System (TMS).</p> <p>THESL plans to continue using Utilismart as a service provider for commercial SmartSynch meter reads until TMS is eventually implemented “in-house.” But until TMS is implemented at THESL, the number of SmartSynch meter reads provided by Utilismart will increase substantially in the next few years. For 2009, the estimated revenue from SmartSynch meters is \$100 million.</p> <p>(09-MOT-01)</p>	<p>Establish business contract and/or Service Level Agreement (SLA) with vendors (i.e. Utilismart) and monitor service per SLA requirements. An appropriate SLA would ensure accuracy, completeness and timeliness of meter data delivery.</p> <p>Or, as an alternative, implement TMS at THESL and bring the SmartSynch Meter Reading process “in-house” as soon as possible.</p>	<p>The anticipated date to bring TMS “in-house” is March 2012 following the implementation of CC&amp;B in July.</p> <p><u>However, the following should be noted:</u></p> <p>Since the meters read by Utilismart are processed through our MV90 and MVSTAR systems and are subject to the same VEE services as the other RIMS meters, <b>management believes adequate compensating controls are in place to ensure data quality (management does not believe this Gap is a high risk).</b></p> <p>Furthermore, monthly load analysis is performed at a high level to ensure the consumption THESL pays to the IESO matches the consumption billed to customers, less line losses.</p> <p><u>Q3, 2012 Update</u></p> <p>A draft agreement currently exists for Utilismart. This draft agreement is being reviewed by management for further services description.</p>	High	ICFR	VP, Customer Care & CCO	<p>30-Jun10</p> <p>New date:</p> <p>31-Dec-10</p> <p>New date:</p> <p>31-Mar-12</p> <p>New date:</p> <p>31-Dec-12</p>	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

### *Outstanding Gaps Ranked “Medium” (10):*

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
2.	Customers may call TH and use their credit cards as a form of payment when their accounts are pending disconnect. However, Credit Card Primary Account Number (PAN) and Expiry Date entered in credit card payment ToDo's are stored in clear text (for a minimum of 1 day) prior to the execution of the nightly job that deletes completed credit card payment ToDo's from CC&B. This is a violation of Payment Card Industry (PCI) Data Security Standard (DSS). (12-CS-03)	Stored credit card information should be encrypted.	As stated, credit card numbers are deleted in the nightly batch jobs and access to view credit cards is restricted to Remittance agents only (less than 10 people – not all of Customer Care).  However, since PCI continues to be an issue, steps will be taken to rectify. We are exploring the possibility of implementing a process whereby credit card information can be entered directly into the Moneris authorization system, thereby bypassing entering the information into CC&B.	Medium	Process	VP, Customer Care & CCO  & VP, IT & Strategic Management	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
3.	<p>A review of users with access to perform transactions in CC&amp;B indicated that excessive / inappropriate access was granted to users. Further, we noted that based on the current access granted to security roles, there is inadequate segregation of duties.</p> <p>The number of persons and groups with access to perform adjustments was not restricted. The ability to perform deposit adjustments was not limited to the CSRs. Metering Clerks can add, cancel and delete adjustments. Remittance Clerks (who handle cash and post cash into CC&amp;B) can also add, cancel and delete adjustments.</p> <p>The lack of segregation of duties analysis was also reported as a gap in the CC&amp;B pre-implementation review and at that time management stated that a post go-live review would be conducted of functions attached to roles and the users assigned to roles.</p> <p>This was originally assessed as 'High'. Due to low dollar impact, we have re-assessed this gap as 'Medium'</p> <p>(12-CS-04)</p>	<p>Management should perform a comprehensive review of the design of the security roles (a segregation of duties review) to determine the appropriateness of access granted to users roles within the application. In addition, reports should be developed / enhanced to identify cases where repetitive changes (e.g. adjustment transactions) are made to customer accounts.</p>	<p>Access to CC&amp;B information is based on business, security, resource requirements and the need to protect confidentiality of information. A review of role design and role assignments will be conducted in the next few months. In addition, we will implement an Audit functionality which would provide us with the similar controls that we had through the daily query that was run in Banner.</p>	Medium	Process	<p>VP, Customer Care &amp; CCO</p> <p>&amp;</p> <p>VP, IT &amp; Strategic Management</p>	31-Dec-12	Remediation in Progress



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## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
4.	<p>An analysis of invoices from Valard Construction showed that invoices dated April / May 2011 (approximate value of \$1M) did not have an approved corresponding purchase requisition (PR) until the middle of July 2011. However, the TH process for engaging contractors requires that before any work is performed, a PR and purchase order (PO) must be created to ensure that costs are monitored, accrued to the correct accounting period and subsequently paid.</p> <p>When Valard Construction and their sub-contractors contacted TH Accounts Payable in July 2011 to request payment of outstanding invoices, it was determined that the invoices had been received by the Business Unit but not forwarded to Accounts Payable for payment.</p> <p>The contract between TH and Valard Construction implies that all documentation and communication should be sent to the TH Supply Chain Supervisor. The end result was that invoices were sent to a TH employee who was not responsible for payment.</p> <p>(12-TFIN-01)</p>	<p>A purchase requisition and purchase order must be created by the initiating Business Unit before a contractor performs work for Toronto Hydro to ensure that the work is authorized, costs are appropriately accrued and payment is made.</p> <p>Clearly defined billing instructions should be stated in contracts between TH and approved contractors. For example, instructions should include the requirement for invoices to be sent to 14 Carlton Street; Attention: Accounts Payable.</p>	<p>THESL Finance will re-communicate the process to key departmental staff regarding purchase requisitions and purchase orders, including the requirement that no work is performed unless these documents have been created. This is expected to be completed by the end of 2012.</p> <p>Legal department will ensure that proper instructions are provided in future contracts.</p>	Medium	ICFR	THESL Controller & CFO	31-Dec-12	Remediation in Progress





# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
5.	There is no integrated master business continuity plan (BCP).  (07-CG-01)	Develop and test a business continuity plan that addresses the relocation of people, continuity of business functions and processes, includes a business impact assessment and integrates pandemic planning and recovery point objectives.	<p>Since the Ontario Energy Board's Q1 2012 decision on Toronto Hydro's rate application, Corporate Emergency Management has had to revise its approach in staying on target to develop business continuity planning. Coupled with this, the department also saw its inaugural manager resign in December 2011 and its responsibilities reassigned to the Manager of Distribution Grid Operations.</p> <p>With the designated responsible persons unable to complete the vulnerability assessment on January 27th, 2012, as scheduled, the decision was made to begin work on developing a business continuity plan (BCP) for the first Enterprise Critical Function (ECF). It is projected that within the time it takes to develop this BCP, the vulnerability assessment can be rescheduled and completed to prioritize the order in which the remaining ECFs will be assigned resources for business continuity.</p> <p>BCP development on ECF 1 is a logical step to ensuring business continuity remains active during Toronto Hydro's current period of uncertainty.</p> <ol style="list-style-type: none"> <li>1. Begin process mapping and business continuity plan development for the first enterprise critical function</li> <li>2. Develop risk mitigation, reduction and transfer options for presentation to senior management</li> <li>3. Execute risk options chosen by senior management</li> </ol>	Medium	Process	VP, IT & Strategy Management	31-Dec-08  New date:  31-Dec-09  New date:  31-Dec-11  New date:  31-Dec-12  New date:  31-Dec-13	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response and Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
6.	<p>Our review of the overall timekeeping process for TH shows that the process is fragmented and that procedures are not consistent between BUs. BUs have developed separate requirements for employees to follow and different methods to record labour hours. For instance, IT recently implemented an electronic timesheet process that is not available to other BUs. Generally, the Timekeeping process is not managed as a TH-wide process and governed by the same criteria across all BUs.</p> <p>In addition, our review of timesheets produced from the electronic timekeeping process recently implemented by IT, showed the following deficiencies:</p> <ul style="list-style-type: none"> <li>No differentiation between standard hours and overtime/extended hours (which need to be tracked for employees and consultants).</li> <li>No employee name.</li> <li>No labour codes.</li> <li>No information regarding the type of overtime (i.e. planned, extended shift, emergency).</li> <li>No documentation showing approval.</li> </ul> <p>(10-TMK-05)</p>	<p>Timekeeping is a key process that should be a centralized function for the entire company, where requirements and criteria are developed by subject matter experts with diverse areas of expertise.</p> <p>While individual BUs may require some flexibility in defining their information needs, changes to the basic timesheet format should be approved by Program Management and/or a group assigned the task of overseeing timesheet responsibilities.</p>	<p>The new timekeeping project has been formally launched in Q2 2011. This project will centralize all timekeeping functions within the organization and will ensure consistent policies are applied across all departments. This project will be supported by an IT solution which is currently being developed. Vendor selected; in progress.</p> <p>It should be noted that the current HR policy (for management) and the collective agreement (for union employees) define all the related procedures. Management is currently developing an engagement and communication strategy to reinforce the rules.</p> <p>Timekeeping Foundation Project Team currently working with Vendor to design and configure the system to meet Toronto Hydro requirements. Go-Live date expected January 1, 2013.</p> <p><u>Q3, 2012 Update</u></p> <p>The Timekeeping Automation Project is on track for a go-live date of January 2, 2013. Roll-out to Distribution Services and Distribution Grid Management will take place to coincide with subsequent pay-runs. Currently, 93% of business rules and 90% of interfaces have been validated. Documentation is nearly complete and unit testing is underway.</p>	Medium	ICFR	VP, Distribution Services & VP, IT & Strategy Management	31-Dec-10  New date: 31-Dec-11  New date: 31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
7.	<p>We noted some of the smart meter servers were not recently patched for security updates. Also, periodic update / patching of certain desktop application software was not performed. In addition, monitoring of desktop antivirus scan activities was not performed.</p> <p>(12-ITGC-02)</p>	<p>Regular update of TH's systems (especially critical smart meter servers and desktop application software) with patches and configuration changes that address identified security and vulnerability issues should be performed. Regular audits of desktops, administrative access and unauthorized software installed on desktops should also be performed. IT needs to pay greater attention to software that has been downloaded to desktops and laptops. These applications are becoming the primary point of attack because these vulnerabilities may be easier to exploit than vulnerabilities on a server.</p>	<p>The Operations Team is continuing to extend and mature the PVG (Patch and Vulnerability) process on MVSystems, ODS, and the remainder of Toronto Hydro's critical applications as planned. MAS was patched at the end of November 2011 as part of the PVG program.</p> <p>We will continue to review and expand the PVG process to critical environments based on the BIA report and collaborate with Client Services to develop strategies to extend the program to third party applications (i.e. Adobe and Java) based on system criticality and exposure.</p>	Medium	Process	VP, IT & Strategy Management	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
8.	<p>Reports should be developed to enhance business productivity. As of the date of our review (Nov. 2011), we found that the Meter-To-Cash (MTC) report used to monitor completeness of billing was incomplete. Also, we noted that the Field Activity Type Report (CMRSO-FATYP) does not identify the meter type (as of the date of our review in Nov. 2011). By identifying the meter type, business productivity can be improved. In addition, we noted that non-essential report development was given a low priority during CC&amp;B implementation and this was reported as a gap in the CC&amp;B pre-implementation review.</p> <p>(12-CS-02)</p>	<p>Reports (especially the MTC and CMRSO-FATYP) should be enhanced to improve business productivity.</p>	<p>In order to Go-Live, decisions were made by the project team and executives as to what to take out of scope without increasing risk profile. Other than critical reports, it was determined that the balance of non-essential reports would be written post Go-Live. Reports have been prioritized and development and testing is ongoing. The Field Activity Type reports as well as other reports such as CMRSO-CSOR and report to identify incorrect meters for GS300 accounts are still pending.</p> <p>Management is currently working on these reports to mitigate the operational risk of delayed billing.</p>	Medium	Process	<p>VP, Customer Care &amp; CCO</p> <p>&amp;</p> <p>VP, IT &amp; Strategic Management</p>	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
9.	<p>ToDo's are exceptions or errors that are reported by CC&amp;B that require user review and corrective action. Based on our analysis, the number of outstanding / unresolved ToDo's was high and they were not cleared in a timely manner.</p> <p>Management runs two scripts daily to identify outstanding ToDo's. The output of these scripts is used to analyze, prioritize and assign ToDo's to staff for review and correction. However, based on our analysis, the department is unable to effectively clear these ToDo's in a timely manner due to resource restrictions.</p> <p>The volume and lack of a defined / documented process to manage ToDo's was also reported as a gap in the CC&amp;B pre-implementation review</p> <p>(12-CS-07)</p>	<p>A plan should be developed and resources should be assigned to clear outstanding ToDo's with the objective of reducing the number outstanding to only those generated within the current month.</p> <p>An aged pending bill report should be developed that helps identify all the pending bills that are aged beyond the billing cycle.</p> <p>A data cleaning exercise should be undertaken to add missing information to accounts converted with write-off balances and then the CC&amp;B write-off program should be executed to clear ToDo's.</p>	<p>ToDo's are a complex area as there are 200 different ToDo types and several different categories.</p> <p>In March 2012, 9 new scripts/queries were developed to better address ToDo management. The system for management continues to be optimized and a more formal process for management can be documented.</p> <p>Management is currently training staff at a third party provider to address resource issues. Continued work to correct technology issues and identify automation opportunities will assist over time with reducing backlogs.</p>	Medium	ICFR	<p>VP, Customer Care &amp; CCO</p> <p>&amp;</p> <p>VP, IT &amp; Strategic Management</p>	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
10.	<p>We found the following user actions that impact deposits processing are not reported for supervisory review and follow-up:</p> <p>i. No reports are produced that highlight accounts that are set-up without a deposit requirement or where the deposit requirement was changed from the recommended amount. We found that commercial accounts were set-up without a deposit requirement and with no explanation why the deposits were waived.</p> <p>ii. Deposit reassessment is done annually, not necessarily on the anniversary of the security deposit. As of Nov. 2011, the deposit reassessment process did not accommodate the latest OEB changes that allow customers to pay the security deposit by installments.</p> <p>(12-CS-12)</p>	<p>Reports should be developed to report instances where deposits were waived and/or changed from the recommended amount. Further, deposit reassessments should be performed more frequently, which aligns with OEB's recent changes.</p>	<p>A deposit report is currently being developed. Once received, we will begin the regular processes of reviewing deposits that are waived or changed from the recommended amount. Furthermore, CSR's have been trained on this and will create a pay plan should the customer wish to do this.</p> <p>The deposit reassessment is done annually and not necessarily on the anniversary of the security deposit. We are currently developing a functionality to allow this in CC&amp;B and it is expected to be delivered before end of 2012.</p>	Medium	Process	<p>VP, Customer Care &amp; CCO</p> <p>&amp;</p> <p>VP, IT &amp; Strategic Management</p>	31-Dec-12	Remediation in Progress



# Appendix 1

## Outstanding Gaps Ranked as High and Medium for Q3, 2012

Gap #	Gap Description	Recommendation	Management Response / Action Plan	Significance of Control Weakness	Gap type ICFR / Process	Responsible Party	Due Date	Status
11.	<p>IA noted multiple vendor numbers can be assigned to a single vendor. Examples include but were not limited to:</p> <ul style="list-style-type: none"> <li>• Rogers Wireless and Rogers Wireless Inc</li> <li>• Rogers Cable and Rogers Cable Inc</li> <li>• ABB Inc. and ABB Inc</li> <li>• ACF Communication Services Inc. and ACF Communication Services Inc</li> </ul> <p>This commonly results in issues since it is difficult to verify payments made to vendors when more than one vendor number exists. Acquisition Services is responsible for accurate setup and maintenance of the vendors.</p> <p>A duplicate invoice (number 620327300C) under suppliers Rogers Wireless and Rogers Wireless Inc, contained roughly \$700 of U.S. roaming charges.</p> <p>(12-AP-04)</p>	Procurement should follow the standardized format for new vendor name to prevent future duplication (especially for acronyms, numbered companies or government branches)	<p>Some duplication exists in the vendor master primarily with vendors having divisions with multiple remittance addresses. For those vendors where that is not the case (i.e. name is slightly different, but addresses &amp; contacts are the same) the following action plan will be followed:</p> <p>The current vendor maintenance process will continue. This includes the requirement for an invoice copy or letter head as back up. This is also verified when the HST number is validated. A vendor naming convention will be added to the procedure to ensure consistency of entry. Further, a detailed review of the Vendor Master will be conducted to identify duplications already active. Any duplicates will be deactivated.</p>	Medium	ICFR	VP, Distribution Grid Management	31-Dec-12	Remediation in Progress



# Internal Audit Department

Summary of Q4, 2012 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on February 26, 2013





# Quarter End Status Highlights

## SUMMARY OF AUDIT ACTIVITIES

Internal Audit (IA) completed and issued the following audits:

### IT General Controls

The audit focused on how Information Technology (IT) risks are managed through governance, logical security, user administration, monitoring and reporting processes and controls over the financial reporting systems. We specifically evaluated controls in IT general processes to ensure that these support financial reporting (ICFR – Internal Controls over Financial Reporting).

### Customer Services

The audit focused on assessing the design and function of the internal controls over the Customer Services – Billing and Metering operations and to ensure that each control process is operating effectively according to the design of the system. We specifically evaluated controls in the Customer Service - Billing and Metering processes to ensure that these support financial reporting (ICFR – Internal Controls over Financial Reporting).

### IT General Controls Overall Rating – Adequate

Impact/Severity	# Audit Issues
High	0
Medium	2
Low	4
Total Issues	6

None of the observations noted indicate that a material weakness exists in the internal controls over financial reporting.

### Customer Services Overall Rating – Adequate

Impact/Severity	# Audit Issues
High	0
Medium	2
Low	1
Total Issues	3

None of the observations noted indicate that a material weakness exists in the internal controls over financial reporting.



# Remediation Plans: Outstanding Observation Trends

## HIGHLIGHTS

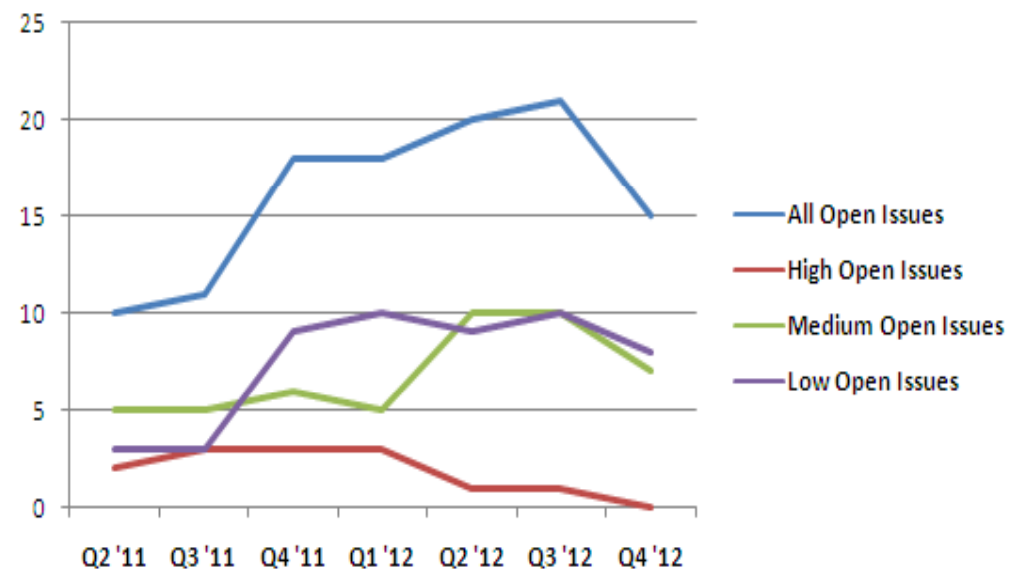
IA has modified the outstanding open item process to improve the quality of management discussion and awareness. IA is now proactively managing the outstanding issues by meeting with VPs on a quarterly basis to discuss the risk exposure and confirming progress on outstanding remediation plans. Where remediation plans have “slipped”, additional work is being undertaken to ensure that the identified risk is being adequately controlled.

The new quarterly program was rolled out in November and Management has been extremely productive in their remediation efforts.

- ❖ 15 “old” outstanding issues closed during the quarter
- ❖ All high risk audit issues have now been successfully remediated
- ❖ 9 new issues added from the reports issued this quarter

Details of all Outstanding Observations, including management’s most recent commentary, follow at **Appendix A.**

## Outstanding Open Issues: Q2 2011 – Q4 2012\*



\* Cut off for remediation evaluation for Q4, 2012 was February 15, 2013



# Remediation Plans: Outstanding Observation Trends (cont'd)

## HIGHLIGHTS

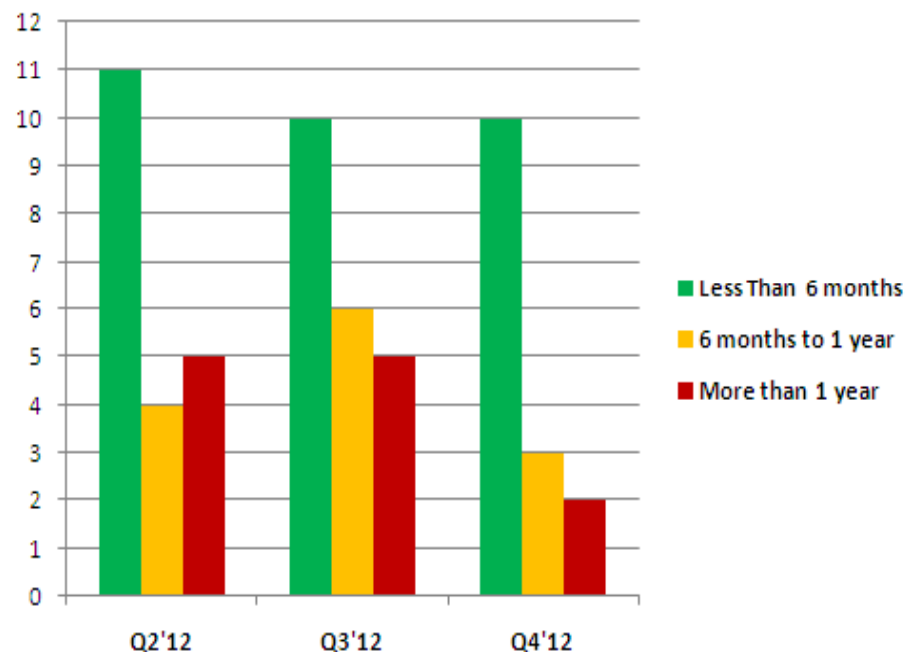
As part of the active management of outstanding issues, action items that are older than one year receive greater scrutiny. In prior years, the average age of outstanding audit issues had approached 2 years. IA has prioritized the need to close audit issues for 2013, and are working to reduce the average age to under 12 months. While IA recognizes that this is a shared initiative with management, we believe that IA can assist management in developing creative alternative approaches to mitigate risk in the short term while longer term permanent solutions are implemented.

The Audit Committee will also receive a current quarterly update from management (see **Appendix A**), that confirms risk exposure and comments on the progress of the remediation effort. **IA is satisfied with management's evaluation of these remediation projects.**

Outstanding issues older than 1 year (both "Low" risk):

1. 07-CG-01: **"Integrated Master Business Continuity Planning"** – significant progress has been made on this project to date. Risk rating has been downgraded to "Low" to reflect net residual exposure.
2. 11-AMSR-03: **"Load Estimation for Astral Media"** – an independent assessment was completed on Astral's load estimates in 2012 and identified billing issues were resolved. The issue remains outstanding as a permanent solution for all unmetered scattered load clients remains in development.

## Aging of Issues



# Remediation Plans: Outstanding Observation Trends (cont'd)

## HIGHLIGHTS

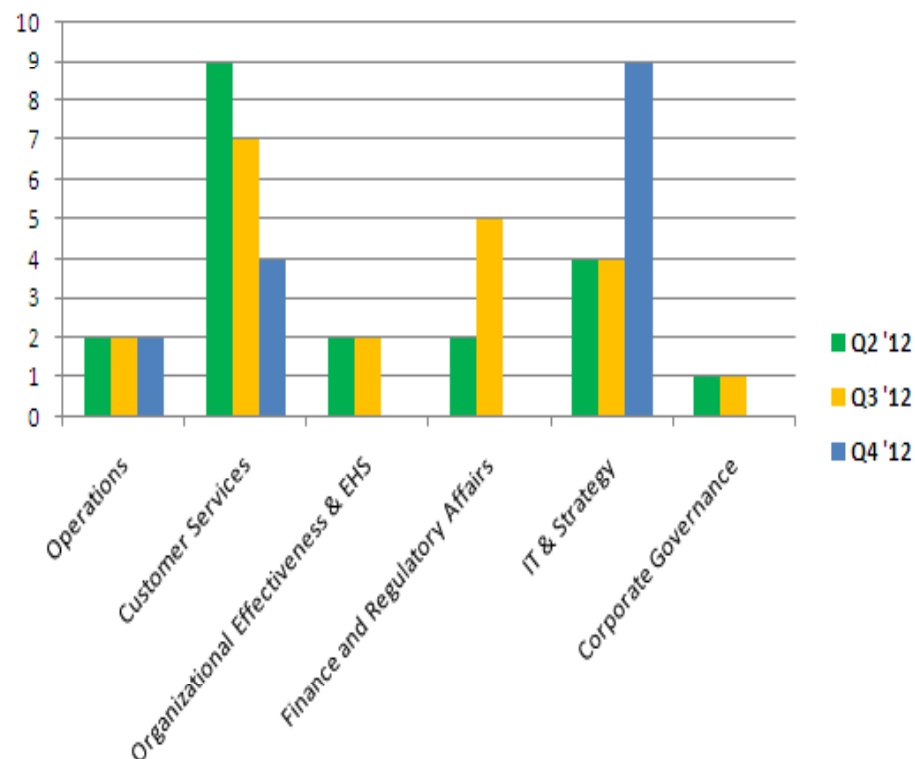
We have included a quarter by quarter presentation of outstanding issues by operational area for information purposes. This presentation allows for a better understanding of where outstanding issues are concentrated (primarily a function of audit activity – Customer Services and IT General Controls have been audited annually for the last 3 years).

Of specific note:

- ❖ Organizational Effectiveness & EHS, Finance and Regulatory Affairs, and Corporate Governance closed all of their respective audit gaps during the last quarter
- ❖ Customer Service closed 6 gaps during the quarter but had an additional 3 added by way of the last Customer Services report
- ❖ IT closed 1 gap during the quarter but had an addition 6 added by way of the last IT General Controls report

**All areas are reporting meaningful progress in their remediation activities.**

**Outstanding Open Issues Trend By Department: Q2 2012 – Q4 2012**



# Appendix A

## Open Observations



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
1	07-CG-01	There is no integrated master business continuity plan (BCP).	<p>The significance of the control weakness can be moved to Low.</p> <p>BCP development is progressing well. A Crisis Management Plan was recently drafted and approved by the CDP Steering committee on Nov 22nd. The closure date has to be extended nine months from December 2013 to September 2014. This is due to a revised resource plan.</p>	Low	VP, IT & Strategic Management	<p>31-Dec-08</p> <p>Revised to: 31-Dec-09</p> <p>Revised to: 31-Dec-11</p> <p>Revised to: 31-Dec-12</p>	30-Sep-14
2	12-ITGC-02	We noted some of the smart meter servers were not recently patched for security updates. Also, periodic update / patching of certain desktop application software was not performed. In addition, monitoring of desktop antivirus scan activities was not performed.	All application lanes are on track with the exception of CC&B. Patch and vulnerability management for CC&B is falling behind as there appears to be issues in understanding the application/server mapping relationship within the CC&B applications. Vulnerability assessment (VA) scans have been completed for all applications under SDED and Corporate Apps with CC&B application team pending.	Medium	VP, IT & Strategic Management	31-Dec-12	31-Mar-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
3	12-CS-12	<p>We found the following user actions that impact deposits processing are not reported for supervisory review and follow-up:</p> <p>i. No reports are produced that highlight accounts that are set-up without a deposit requirement or where the deposit requirement was changed from the recommended amount. We found that commercial accounts were set-up without a deposit requirement and with no explanation why the deposits were waived.</p> <p>ii. Deposit reassessment is done annually, not necessarily on the anniversary of the security deposit. As of Nov. 2011, the deposit reassessment process did not accommodate the latest OEB changes that allow customers to pay the security deposit by instalments.</p>	<p>This report has been prioritized with IT and is expected by end of February 2013. All residential deposits have been returned to customers, and a decision has been made to forgo asking for deposits when residential customers move in. However, this report is still required to monitor any unusual activity on commercial account deposits.</p>	Medium	VP, Customer Care & CCO	<p>29-Sep-12</p> <p>Revised to: 31-Dec-12</p>	31-Mar-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
4	11-AMSR-03	<p>No verification for Load Estimation provided by Astral Media.</p> <p>We noted that THESL used the Load Estimation provided by Astral Media as the consumption for the monthly flat rate billing. No Load Estimation verification was performed by THESL to verify if the information provided by the customer was correct.</p> <p>With over 25,000 street furniture (Bus Shelters, Info Post, Automated Public Washrooms, Litter/Recycle Bins, etc.) under the City of Toronto and Astral Media agreement, if the Load Estimation for the street furniture that require power is not correct, THESL may incur a long term revenue loss.</p> <p>It will also contribute to the difference of the billed consumption and the actual consumption of the THESL system. This will impact the accuracy of the Financial Reporting.</p>	<p>An independent 3rd party audit firm (Power Factor Services) was engaged by Astral Media in 2011 and 2012 to verify loads. All bill issues related to this evaluation have been corrected.</p> <p>Although the specific issue has been resolved as at December 31, 2012, the underlying, broader issue of how to best monitor the loads for ALL unmetered scatter load customers remain a project in the development phase.</p> <p>In the long term, a shift to metered service is the "ideal" solution, unfortunately, clients are resistant to this approach due to cost of installing the required Secondary Outdoor Service pedestals and the aesthetics of their installation.</p> <p>In the short term, an annual audit provided by a 3rd party is being considered (a potential audit program has already been developed by SDS). Details on "ownership" of the audit program, scope and who will bear the costs associated with performing the annual audit (the customers or THESL) are in the process of being finalized. We anticipate having a robust, sustainable program in place by the end of 2013.</p>	Low	VP, Distribution Grid Management	<p>31-Jan-12</p> <p>Revised to: 30-Jun-12</p> <p>Revised to: 31-Jul-12</p> <p>Revised to: 31-Aug-12</p> <p>Revised to: 31-Dec-12</p>	31-Dec-13





# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
5	12-ITGC-06	User IDs of staff (including user IDs of IT staff) continue to exist within network groups, individual applications and databases although these staff are no longer employed by THC. In some cases, although their network access was removed, the removal did not extend to certain network groups (e.g. TED support, Account Operator, Admin groups), smart meter systems, customer care and billing systems, job scheduling system or databases. A separate task was not set-up as part of the termination process for users of certain systems such as CC&B (customer care and billing systems), ODS or MAS (smart meter systems).	IT Infrastructure is under-going an Active Directory cleanup project. Part of the project mandate is to convert local application based service accounts to directory based service accounts. This will ensure that when a user is terminated through Active Directory, his or her rights will be revoked from all areas. E-Directory will also be phased out and accounts will be migrated over to Active Directory. The end result will be a single directory database for user account management which provides a consistent process for removal of user accounts.	Low	VP, IT & Strategic Management	31-Dec-12	31-Dec-13
6	11-AP-04	<p>IA noted multiple vendor numbers can be assigned to a single vendor. Examples include but were not limited to:</p> <ul style="list-style-type: none"> <li>Rogers Wireless and Rogers Wireless Inc</li> <li>Rogers Cable and Rogers Cable Inc</li> <li>ABB Inc. and ABB Inc</li> <li>ACF Communication Services Inc. and ACF Communication Services Inc</li> </ul> <p>This commonly results in issues since it is difficult to verify payments made to vendors when more than one vendor number exists. Acquisition Services is responsible for accurate setup and maintenance of the vendors. A duplicate invoice (number 620327300C) under suppliers Rogers Wireless and Rogers Wireless Inc, contained roughly \$700 of U.S. roaming charges.</p>	<p>As outlined in our 2012 plan a review of current vendor set up process was undertaken to understand how we could best minimize/ eliminate the risk of any new duplication of vendors in the master.</p> <p>Based on the current set up process we supplemented the transaction instructions with guidelines. After reviewing how Ellipse works having a standard naming convention was actually not as important as having a comprehensive mnemonic listing when the vendor is initially set up. The instructions point to this. They also outline the importance of proper searching and HST verification.</p> <p>The completion of the cleanup of the master has been slightly delayed, but we will commit to having this completed by the end of Q1-2013.</p>	Medium	VP, Distribution Grid Management	30-Nov-12 Revised to: 31-Dec-12	29-Mar-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
7	13-ITGC-01	<p>The GEAR (Geo Electric Mapping Records) application was included in our scope for the first year at the request of KPMG. Observations were:</p> <p>Configuration Tables and Audit Logging - Audit logging is not enabled on the database for configuration tables that can be used to change the configuration within GEAR. In addition, back-end data fixes are also performed. Thus, changes to underlying source data and system functionality could be changed and no record of the change is created.</p> <p>Access Administration - Some exceptions were noted (e.g. a user requested access to a specific profile but instead was granted access to another profile; terminated users still existed on the application; users had inappropriate rights to the job schedules). Periodic reviews of users and access rights are not regularly performed.</p> <p>GEAR Security Policy - A system limitation prevents the set-up of password parameters on the frontend of the GEAR application. To compensate, IT implemented a back-end password procedure but it is inconsistent with THC's Cyber Security Policy.</p> <p>To mitigate the above risks, Toronto Hydro has the network password settings and account lock-out settings that prevent unauthorized individuals from accessing the GEAR system. THC's Cyber Security Policy requires that Toronto Hydro restrict access to information based on business, security and resources requirements based on the need to protect the confidentiality of Information Assets.</p>	<ol style="list-style-type: none"> <li>1. When a new GEAR user account is created, the initial password will have the complexity that will comply with guidelines specified in THC's security policies.</li> <li>2. GEAR password setting control function will be revised to align with THC's security policies.</li> <li>3. User access report will be sent to GEAR change committee members to review every 3 months. First report was sent January 2013.</li> <li>4. Any GEAR user account that has not been used for more than 6 months will be disabled.</li> <li>5. After setting up a user's access request, user confirmation will be obtained to ensure that the user can login with the requested role. The service request's work info will be updated accordingly.</li> <li>6. Back-end data access will be restricted to only the use of a "Firecall ID". Team leader will manage this access. The "Firecall ID" password will be reset after every use. When required, the Team Leader will set its temporary password and share with the implementer. Its password will be reset after work is completed.</li> </ol>	Medium	VP, IT & Strategic Management		30-Jun-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
8	13-ITGC-02	<p>As of November 1, 2012 we noted that the back-up disk capacity was approaching 80% (which exceeds IT's internal tolerance for storage capacity for the backups of 70%). One of IT's strategy to address the shortage is to purchase additional disks when the tolerance level reaches 70%.</p> <p>We understand that IT's current data retention and archiving strategy is not yet aligned with Toronto Hydro's new data retention guidelines. There is a potential that there will be changes to the current data retention and archiving strategy used by IT e.g. incremental backups on weekdays, full backups on weekends, GroupWise (email) backups retained for 6 months, non-email for 3 months, full backups of critical financial data performed yearly and kept for 7 years.</p> <p>IT's Electronic Data Backup and Retention Guideline states that "the backup of the electronic data files and the ability to recover production data is top priority for IT Infrastructure. Management is responsible for ensuring that the frequency of such backup operations and the procedures for recovery meet the needs of the business."</p>	The Records Management program will continue into 2013 to include collaboration with business to align current data with the data retention and archiving strategy.	Medium	VP, IT & Strategic Management		30-Sep-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
9	13-ITGC-03	<p>A generic administrator ID was used for administering the Primeread metering application and is shared among administrators. Password exceptions found in the Primeread application were not documented on the Standard Exception Form.</p> <p>To mitigate this risk, periodic reviews of application user IDs are performed. Only a limited number of persons have access to the Primeread application.</p> <p>The use of generic user IDs prevents tracking user activity, therefore accountability cannot be enforced. The Internal Access Control Standard states that "Generic accounts shall not be used by users or support teams as much as possible in systems / devices / applications / databases. Security exceptions shall be used to document the usage of generic accounts if the system does not permit creation of specific named user accounts".</p>	Periodic reviews of compliance to the Cyber Security policy will be conducted in 2013 by the IT Services and Infrastructure business unit; "Security Operations" service. In addition, Application Support teams will review all generic IDs and either replace with named IDs or submit security exceptions where this isn't possible.	Low	VP, IT & Strategic Management		30-Jun-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
10	13-ITGC-04	We noted that version change control software is not used consistently throughout the Application Support Team. Version control software is currently used by the CC&B team, however, not by other teams (e.g. reports built for Ellipse, BI, scripts used to support billing etc). Currently, there is not a policy or procedure in place to utilize the version control software across all applications to safeguard code and enforce version control. Best practice recommends using version control software to ensure a single repository of code for reports/programs with monitored access. Changes made to the code are tracked, along with the person making the change, why the change was made and references to problems fixed, or enhancements introduced, by the change. Version control software facilitates 'corporate memory' for software changes.	In addition to CC&B, version control is being used by the development teams to control source code for critical applications including SAP data services, Websphere, and Sharepoint. IT will continue to further deploy version control into key systems in 2013.	Low	VP, IT & Strategic Management		31-Dec-13
11	13-ITGC-05	The framework used to manage projects and developing systems is currently under development and there is no finalized Project Management and System Development Life Cycle (SDLC) framework. However, fundamental elements of Project Management and System Development exist and are in practice such as approvals, testing, post implementation reviews etc. Best practice recommends that a framework document exists to ensure a consistent Project Management methodology is applied for all IT projects.	A basic SDLC (Software Development Lifecycle) framework base is developed along with the supporting tools and templates. Stakeholder awareness sessions have been held and the tools are in use for new projects. Clarity is being used as the common repository for access to the SDLC tools and templates. Efficiencies and further revision of the draft framework will be realized beginning 2013 as lesson learned recommendations are incorporated into future releases.	Low	VP, IT & Strategic Management		30-Sep-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
12	13-ITGC-06	<p>We noted the following exceptions during our review of the AIX operating system for selected financial applications:</p> <ul style="list-style-type: none"> <li>• Passwords on the logical partition were not setup in accordance with the Cyber Security Policy (e.g. minimum length not consistently enforced);</li> <li>• Terminated users were still listed on the operating system with file ownership;</li> <li>• Umask setting not set in accordance with AIX Security Policy section 4.1.2; and</li> <li>• Powerful root access was not limited to IT's AIX administrators.</li> </ul> <p>We were unable to determine who was responsible for reviewing the security settings of the AIX system to ensure that configuration settings comply with the Cyber Security Policy and/or the AIX Security Policy.</p> <p>To mitigate the risk, THC currently has an active Intrusion Detection/Intrusion Prevention System that monitors suspicious activities by external parties that may lead to unauthorized access. In addition, the level of exposure of the operating system to threats is lower given the architectural location of these servers. THC's Cyber Security Policy requires the use of access controls and processes to secure systems from unauthorized users.</p>	Periodic reviews of compliance to the Cyber Security policy will be conducted in 2013 by the IT Services and Infrastructure business unit; "Security Operations" service.	Low	VP, IT & Strategic Management		30-Sep-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
13	13-CS-01	<p>We noted the following exceptions in the CC&amp;B reporting functions:</p> <ul style="list-style-type: none"> <li>(a) Scripts and queries that are heavily relied on by the Billing Department can be modified by General Service Billing Specialists ("GSBSs") as the logic of the scripts and queries are not "locked". This increases the risk of inaccurate data being used for decision making.</li> <li>(b) Within the area of Collections, only 6 out of 20 CC&amp;B reports are being produced as designed. The reports that are not being produced properly either fail to populate values, time-out prior to completion or provide inaccurate data. Not all reports that are not functioning properly have been replaced with scripts.</li> <li>(c) The month-end Retailer Aging AR report is not aging balances accurately and is currently estimating the aging bucket balances.</li> <li>(d) There has not been a write-off of bad debt since conversion to CC&amp;B in July 2011 as the functionality in supporting reports to capture bad debt balances was not delivered at the "Go-Live" date and the module is currently under development. This continues to generate a volume of To Dos in the Collection process.</li> </ul> <p>Currently, the progress on development of CC&amp;B generated reports since "Go-Live" has been slow. There is a current action plan in place to create queries and scripts as an interim strategy; however, this process has taken too long. The issues with respect to the Retailer Aging AR Report and the Write-off of Bad Debt Report are currently being addressed by IT and the business unit.</p>	<p>(a) &amp; (b) - There has been an ongoing issue with an overarching report strategy and report development resources. SQL queries have been useful where reporting gaps exist; however, as stated above, these are subject to modification and therefore, lack integrity. For operational purposes, an SQL query is sufficient, however, for financial reporting or audit control purposes reports still need to be developed. IT has created a more simplified method for converting SQL queries into Crystal reports. As such, higher priority queries will be identified and converted to reports.</p> <p>(c) Finance, IT and the Business Unit are completing testing in order to correct this deficiency and are expecting the report to be functioning properly by mid-2013. Finance is doing an estimate each month for reporting purposes.</p> <p>(d) The Write-off functionality and reporting was delayed at "Go-Live". CC&amp;B functionality to perform write-offs has been configured for accounts originating in CC&amp;B, and custom code has been developed for accounts originating in Banner. Once the reports are developed and tested, write-offs will begin for 2010 and 2011 accounts, with completion expected by Q3. Automated write-offs will then begin for 2012 accounts as per the configured process. Accruals are booked each quarter-end to account for bad debt balances using queries to provide accurate estimates, therefore no financial statement risk. Until write-offs are done, Write-off Trigger Error To Do's generate and need to be cleared regularly to avoid cluttering the system and impacting performance. This can simply be done by checking them as complete.</p>	Medium	VP, Customer Care & CCO		<ul style="list-style-type: none"> <li>a) and b) December 31, 2013;</li> <li>c) September 30, 2013; and</li> <li>d) December 31, 2013</li> </ul>



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
14	13-CS-02	<p>The Retailer To Dos in CC&amp;B have a defect that prevents consideration of reversals that are made on retailer accounts when billing the customer. On certain accounts, the IBR (inbound rate) cancel is received from the retailer; however, CC&amp;B is not automatically posting the reversal on the respective customer's bill. The new bill is completed without taking into consideration the original cancelled usage and IBR. Thus, overcharging or undercharging the customer for this adjustment. A To Do is generated for the accounts that are not properly settled but the system is unable to identify the magnitude of the balances impacted by this defect.</p> <p>A second exception related to "usage cancels" exists where at times the usage cancel is generated by CC&amp;B but not received by the retailers, thus, causing a similar impact to the customer's bill and retailer settlement.</p> <p>Although the business unit is aware of the deficiencies noted, efforts to develop manual work-arounds to address this issue have been unsuccessful until this time. Correcting this defect is part of a larger project that addresses all the defects in the Market Transaction Messaging module (MTM) and is not scheduled to be completed until Q4 2013.</p> <p>The Retail Settlement Code established by the OEB sets forth the minimum obligations that a distributor and retailer must meet in determining the financial settlement costs of electricity retailers and consumers.</p>	<p>There is no viable manual workaround available to remediate the defect and correct the customer bill. Since "Go-Live" of CC&amp;B, bills for Retailer customers are being issued with an overcharged or undercharged amount under certain scenarios. The accumulated impact is estimated to currently be less than \$80,000 since "Go-Live" and is not expected to exceed \$100,000 before the defect is corrected.</p> <p>The incorrect bills are the result of a defect in the MTM module, and portions of the base code need to be corrected by Oracle. Budget and resources have been allocated for 2013 and a 6 phase project has been established, with this particular defect scheduled to be corrected in Phase 2. Once the new code is in production, the accounts billed incorrectly in the past will then be in a position to be corrected, either automatically or through a manual workaround process that leverages the new code.</p> <p>To ensure all incorrectly billed accounts are rectified once the defect is corrected, a query will be developed as a cross check to ensure all accounts have been identified. True-up bills will be issued to correct the customer account and settlement with the Retailer. The amount per account is such that we have received few complaints from customers, however, should a complaint be received, an interim adjustment can and has been done.</p>	Medium	VP, Customer Care & CCO		31-Mar-14





# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
15	13-CS-03	<p>We noted that Billing CSRs are being cross trained for tasks previously completed by the Billing Data Management ("BDM") CSRs and vice-versa. The purpose of this cross training is to increase the efficiencies in the billing processes. This concentration of function allows the CSR group to change meter read information which in turn directly changes billing amounts. This increases the potential for fraudulent transactions.</p> <p>While there is an "Audit Trail" function within CC&amp;B that can track the adjustments made by CSRs and provide details of who created the adjustment, details of the adjustment, etc; it is not in production at this point in time.</p> <p>A detective compensation control is in place as a Quality Review program exists in the Billing and BDM Departments. Reviews are completed each month on all CSRs who perform manual adjustments to meter reads or billing data. The purpose of these reviews is to assess the reasonableness and accuracy of adjustments completed by CSRs. Samples are limited to 3 transactions per CSR and are on a random basis not on any particular criteria identified (i.e. large adjustments, re-occurring adjustments, etc).</p>	<p>Cross training is required to ensure efficient operations without excessive handoffs and bottlenecks during volume fluctuations. As such, controls will be improved to minimize the risk of fraudulent transactions. Currently, management is relying on the compensating control of the Quality Review which is performed on a monthly basis. Turning on the functionality of the "Audit Trail" in CC&amp;B will provide improved insight into transactions by individuals and is scheduled as part of CC&amp;B Release 4, with expected completion in Q2 of 2014. Additionally, greater control can be achieved by developing a query to directly audit the ODS database, such that all manual edits to meter reads can be tracked. This will allow for manual edits to be reviewed and quality monitored on an individual basis as well as an aggregate basis against expected totals. This query is expected to be completed by Q3 2013.</p>	Low	VP, Customer Care & CCO		<p>ODS Query: September 30, 2013; Audit Functionality June 30, 2014</p>




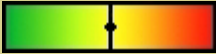

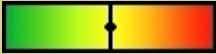

# Internal Audit Department

Summary of Q1, 2013 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on May 14, 2013



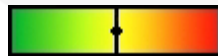
# Executive Summary

Internal audit continues to be actively engaged in assurance and consulting assignments throughout Toronto Hydro in the first quarter of 2013. The results of our work indicate that Management's control over business activities remain **effective**.

Status	Audit Operations	Summary
	Quarterly Audit Activities	Taxation audit report issued with <b>Adequate</b> results. No observations or process improvements noted.
	Management's Remediation Plan Progress	No change in the number of outstanding audit issues. Aging has deteriorated and all three remediation projects scheduled to close by March 31 have new target dates.
	Internal Audit Initiatives	Department continues to work collaboratively with other departments to raise its profile.
	Audit Plan Progress and Changes to the Audit Plan	Fieldwork on customer connections well underway. Revisions and additions to the Plan provided for review and discussion.
	Internal Audit Group Management	Hiring for a senior internal auditor underway. Director position has been evaluated by Talent Acquisition in advance of a permanent hiring solution.



= Critical items requiring Audit Committee attention



= Important issues that warrant discussion



= Operating as expected



# Quarterly Audit Activities

## SUMMARY OF AUDIT ACTIVITIES

Internal Audit (IA) completed and issued the following audit:

### Taxation

The audit focused on assessing the design and function of the internal controls over the taxation financial processes and ensured that each control was operating effectively according to design. We reviewed selected controls across three major categories:

- Payments in Lieu of Corporate Taxes ("PILs")
- Property Taxes
- Harmonized Sales Tax ("HST")

The processes and controls found in the Taxation department were all well documented and designed. Detailed testing confirmed that the taxation team was in compliance with their own internal control processes and tax returns and supporting schedules were well supported and subject to a comprehensive review.

There were no observations noted during the audit of the taxation financial processes that indicate the existence of internal control weaknesses nor were there any process improvement recommendations for the department.

### Taxation Overall Rating – Adequate

#### Issues

Impact/Severity	# Audit Issues
High	0
Medium	0
Low	0
Total Issues	0

#### Controls Tested\*

No exceptions noted	18
Exceptions noted	0
Total Controls	18

\* Of the 18 controls, 8 were designated as ICFR (Internal Controls over Financial reporting). No exceptions noted.



# Management's Remediation Plan Progress

## HIGHLIGHTS

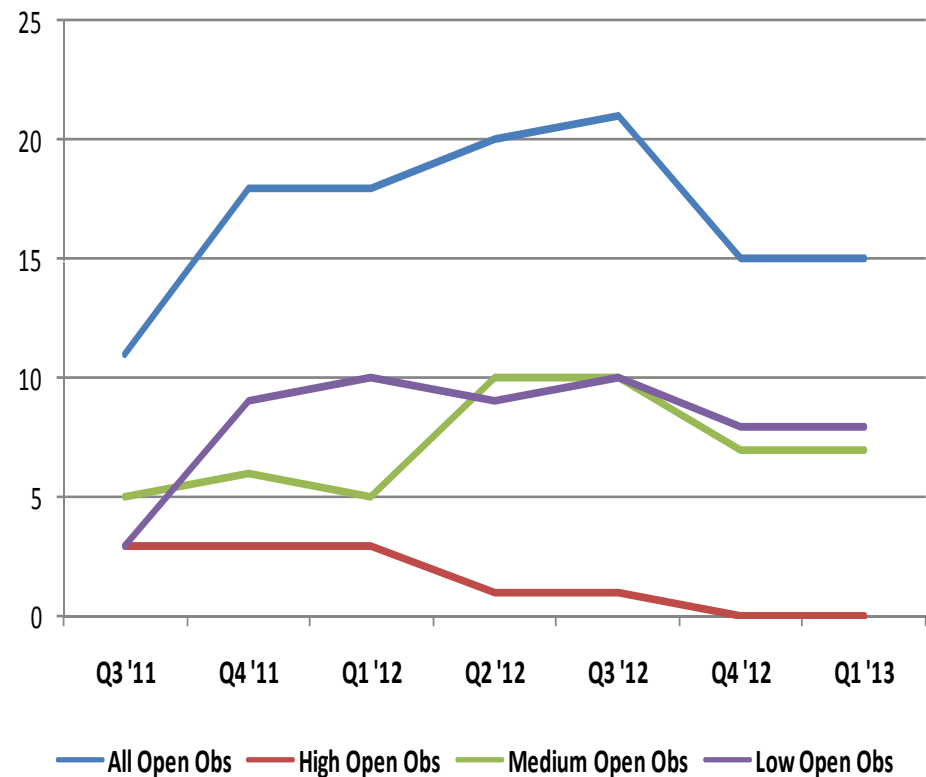
As previously reported IA modified the outstanding open item process in November 2012 to improve the quality of Management discussion and awareness. IA is pleased with the depth of Management's analysis and monitoring of their remediation projects. However, Management did miss their targets for all three remediation projects scheduled for completion by March 31, 2013. Delays included:

- ❖ Vendor master file clean up completion has slipped into April. Project has good traction and IA has confirmed significant progress has been made. Risk is being managed. New target date June 30.
- ❖ Security patches for MV-Star and MV-90 (Smart Meters) are under review. Compensating firewall controls have been enacted. New target date June 30.
- ❖ Report to identify customer accounts set up without a deposit has been delayed. New target date December 31, 2013. Very low risk as there is no longer a requirement for residential deposits and there is a compensating ad-hoc script run in absence of a report.

### Q1 2013 was static with no new issues added or closed.

Details of all Outstanding Observations, including Management's most recent commentary, follow at **Appendix A.**

## Outstanding Open Issues: Q3 2011 – Q1 2013\*



\* Cut off for remediation evaluation for Q1, 2013 was April 30, 2013



# Management's Remediation Plan Progress (cont'd)

## HIGHLIGHTS

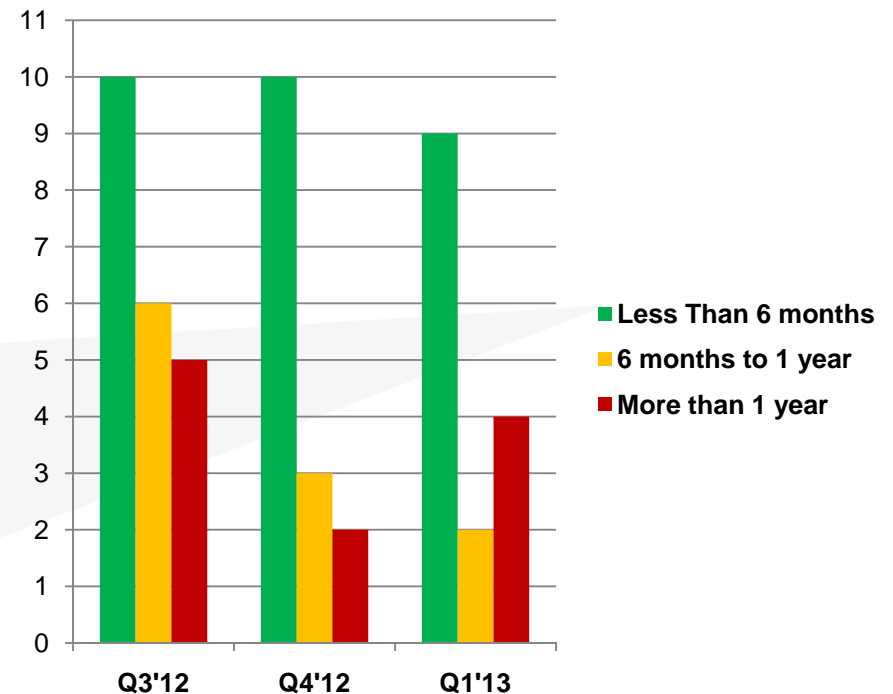
The aging of outstanding audit issues has deteriorated over the quarter with the number of issues outstanding over a year has doubled. The two new additions to this category stem from the 2011 ITGC audit .

Outstanding issues older than 1 year (all "Low" risk, except 12-ITGC-02 which is "Medium"):

1. 07-CG-01: **"Integrated Master Business Continuity Planning"** – project continues to make significant strides and IA is pleased with momentum.
2. 11-AMSR-03: **"Load Estimation for Astral Media"** – progress on establishing a robust audit program to validate consumption estimates for all unmetered scattered load clients is moving forward. No concerns from an IA perspective.
3. 12-ITGC-02: **"Smart Meter Server Security Patches"** – project has encountered some delays but Management is actively managing risk and work plans are in place to close gap in the next quarter. No concerns from an IA perspective.
4. 12-ITGC-06: **"Active Directory Clean-Up Project"** – multi-phased project with December 31, 2013 target date. Progress is on track with compensating controls in place to manage this low risk observation.

**Management is fully aware of the status of the above projects and is taking appropriate actions to close items.**

## Aging of Issues



# Appendix A

## Open Observations



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
1	07-CG-01	There is no integrated master business continuity plan (BCP).	<p>Two Corporate disaster preparedness exercises have been scheduled with the Executives along with training sessions to review the crisis management plan and gain comfort with the crisis management process.</p> <p>A survey was completed by the Exec to highlight effectiveness of the deliverables. This feedback is currently being compiled for Steering committee review.</p> <p>Upcoming exercises include aligning Toronto Hydro Plans with City Plans which is scheduled for May 9th. This exercise will validate alignment of the existing grid disruption plan with the overall Corporate Crisis Strategy.</p>	Low	VP, IT & Strategic Management	<p>31-Dec-08</p> <p>Revised to: 31-Dec-09</p> <p>Revised to: 31-Dec-11</p> <p>Revised to: 31-Dec-12</p>	30-Sep-14
2	12-ITGC-02	We noted some of the smart meter servers were not recently patched for security updates. Also, periodic update / patching of certain desktop application software was not performed. In addition, monitoring of desktop antivirus scan activities was not performed.	<p>Vulnerability testing has been completed for all of the critical applications under the CCNB environment. All Windows servers for Banner, Docucorp, Peaksaver, CCNB, MAS, ODS, and Primeread have been patched up to date. The Security Operations team is in the planning phase of AIX patching.</p> <p>Pending environments for patching are MV-Star and MV-90. A review meeting was conducted on 04/11/2013. It is agreed upon that a host based firewall will be enacted to provide some protection by the end of April. Patches for development and test environments will be deployed in May.</p> <p>Recommend changing due date for this gap until June 30 2013 as MV-Star and MV-90 are aging environments that are sensitive to rapid changes due to their criticality to the business.</p>	Medium	VP, IT & Strategic Management	<p>31/12/2012</p> <p>Revised to: 31-May-13</p>	30-Jun-13





# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
3	12-CS-12	<p>We found the following user actions that impact deposits processing are not reported for supervisory review and follow-up:</p> <p>i. No reports are produced that highlight accounts that are set-up without a deposit requirement or where the deposit requirement was changed from the recommended amount. We found that commercial accounts were set-up without a deposit requirement and with no explanation why the deposits were waived.</p> <p>ii. Deposit reassessment is done annually, not necessarily on the anniversary of the security deposit. As of Nov. 2011, the deposit reassessment process did not accommodate the latest OEB changes that allow customers to pay the security deposit by instalments.</p>	<p>(i) The report remains outstanding due to competing priorities for IT and AR. There is a reduced risk as all residential deposits have been returned, and only commercial deposits are now being leveraged. Some compensating controls exist through monthly monitoring of deposits refunded, and through automated approvals in CC&amp;B for refunds.</p> <p>(ii) This item is closed as the reassessment was completed in 2012.</p>	Medium	VP, Customer Care & CCO	<p>29-Sep-12</p> <p>Revised to: 31-Dec-12</p> <p>Revised to: 31-Mar-13</p>	31-Dec-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
4	11-AMSR-03	<p>No verification for Load Estimation provided by Astral Media.</p> <p>We noted that THESL used the Load Estimation provided by Astral Media as the consumption for the monthly flat rate billing. No Load Estimation verification was performed by THESL to verify if the information provided by the customer was correct.</p> <p>With over 25,000 street furniture (Bus Shelters, Info Post, Automated Public Washrooms, Litter/Recycle Bins, etc.) under the City of Toronto and Astral Media agreement, if the Load Estimation for the street furniture that require power is not correct, THESL may incur a long term revenue loss.</p> <p>It will also contribute to the difference of the billed consumption and the actual consumption of the THESL system. This will impact the accuracy of the Financial Reporting.</p>	We've engaged Finance regarding the process for obtaining budget for the auditing program, and Asset Management (AM) regarding creating and maintaining - owning the annual audit program. Decisions pending. We are aiming to have program approved and in operation by end of 2013.	Low	VP, Distribution Grid Management	<p>31-Jan-12</p> <p>Revised to: 30-Jun-12</p> <p>Revised to: 31-Jul-12</p> <p>Revised to: 31-Aug-12</p> <p>Revised to: 31-Dec-12</p>	31-Dec-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
5	12-ITGC-06	User IDs of staff (including user IDs of IT staff) continue to exist within network groups, individual applications and databases although these staff are no longer employed by THC. In some cases, although their network access was removed, the removal did not extend to certain network groups (e.g. TED support, Account Operator, Admin groups), smart meter systems, customer care and billing systems, job scheduling system or databases. A separate task was not set-up as part of the termination process for users of certain systems such as CC&B (customer care and billing systems), ODS or MAS (smart meter systems).	The AD Phase 2 project has been prioritized however there is no funding for it in 2013. We are working with OE to implement the OE change form which will help improve cross boarding occurrences. OE provided a list of changes that have occurred. As of Dec 21st we have now integrated Ellipse and / or LDAP so that a role change identified is reflected in Remedy a day later. There are still manual work-arounds with tracking contractor change which can be resolved once further modifications are made.	Low	VP, IT & Strategic Management	31-Dec-12	31-Dec-13



# Appendix A

## Open Observations (Remediation in Progress)

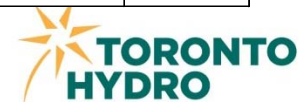
Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
6	11-AP-04	<p>IA noted multiple vendor numbers can be assigned to a single vendor. Examples include but were not limited to:</p> <ul style="list-style-type: none"> <li>• Rogers Wireless and Rogers Wireless Inc</li> <li>• Rogers Cable and Rogers Cable Inc</li> <li>• ABB Inc. and ABB Inc</li> <li>• ACF Communication Services Inc. and ACF Communication Services Inc.</li> </ul> <p>This commonly results in issues since it is difficult to verify payments made to vendors when more than one vendor number exists. Acquisition Services is responsible for accurate setup and maintenance of the vendors.</p> <p>A duplicate invoice (number 620327300C) under suppliers Rogers Wireless and Rogers Wireless Inc, contained roughly \$700 of U.S. roaming charges.</p>	<p>All active vendors have been sorted and unique vendor numbers assessed ( a total of 5,935 unique vendor numbers currently active over all districts - DOES NOT include "one time" vendors).</p> <p>Initial sort completed of these vendors: 178 vendor names were discovered with multiple vendor numbers (this grew to ~220 as very similar names were discovered during sort) - of these ~50 were immediately identified as government offices.</p> <p>On a parallel there were also 364 vendors with the same address (line 1) to be analysed. Some of these may be tenants in same office building so this will decline after secondary sort.</p> <p>By April 26 we will have final working list for clerks / Supply Chain Specialists to follow up. During month of May all vendor follow ups will be completed to ascertain correct address(es), by vendor and by the end of June any deletion flags will be activated in Ellipse.</p>	Medium	VP, Distribution Grid Management	<p>30-Nov-12</p> <p>Revised to: 31-Dec-12</p> <p>Revised to: 29-Mar-13</p>	30-Jun-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
7	13-ITGC-01	<p>The GEAR application was included in our scope for the first year at the request of KPMG. Our review of the GEAR (Geo Electric Mapping Records) system highlighted the following:</p> <p>Configuration Tables and Audit Logging - Audit logging is not enabled on the database for configuration tables that can be used to change the configuration within GEAR. In addition, back-end data fixes are also performed. Thus, changes to underlying source data and system functionality could be changed and no record of the change is created. Currently, only one individual (the Administrator) is authorized to make changes.</p> <p>Access Administration - Some exceptions were noted for access administration (e.g. a user requested access to a specific profile but instead was granted access to another profile; terminated users still existed on the application/database; users had inappropriate rights to the job schedules). Periodic reviews of users and access rights are not regularly performed.</p> <p>GEAR Security Policy - A system limitation prevents the set-up of password parameters on the frontend of the GEAR application. To compensate, IT implemented a back-end password procedure but it is inconsistent with THC's Cyber Security Policy.</p> <p>To mitigate the above risks, Toronto Hydro has the network password settings and account lock-out settings that prevent unauthorized individuals from accessing the GEAR system. THC's Cyber Security Policy requires that Toronto Hydro restrict access to information based on business, security and resources requirements based on the need to protect the confidentiality of Information Assets.</p>	<p>Item 1: Completed - example of a password of a recently created user account "c1l1o3v1e3tt".</p> <p>Item 2: In progress - GEAR password change feature is active. Currently the password rules used are similar to the THC's security policies. The rules will be changed to synchronize with the THC's security policies. Currently planned for June 30, 13</p> <p>Item 3: Completed - user acct report sent out in Jan for BU review (artefact available)</p> <p>Item 4: In progress - a temporary workflow is being used. At the time of generating quarterly user account report (item 3), a report of any accounts that have been inactive for more than 6 months will be deactivated manually. An automated solution is being looked at.</p> <p>Item 5: Completed - however, no artefact available for confirmation. Confirmation was only via a phone call to follow up with user.</p> <p>Item 6: In progress - "Firecall ID" was requested but there were concerns about this being a generic user account (not associated with a user). More review is needed.</p>	Medium	VP, IT & Strategic Management		30-Jun-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
8	13-ITGC-02	<p>As of November 1, 2012 we noted that the back-up disk capacity was approaching 80% (which exceeds IT's internal tolerance for storage capacity for the backups of 70%). One of IT's strategy to address the shortage is to purchase additional disks when the tolerance level reaches 70%.</p> <p>We understand that IT's current data retention and archiving strategy is not yet aligned with Toronto Hydro's new data retention guidelines. There is a potential that there will be changes to the current data retention and archiving strategy used by IT e.g. incremental backups on weekdays, full backups on weekends, GroupWise (email) backups retained for 6 months, non-email for 3 months, full backups of critical financial data performed yearly and kept for 7 years.</p> <p>IT's Electronic Data Backup and Retention Guideline states that "the backup of the electronic data files and the ability to recover production data is top priority for IT Infrastructure. Management is responsible for ensuring that the frequency of such backup operations and the procedures for recovery meet the needs of the business."</p>	Remediation is in progress. IT Management is assessing storage options i.e.: purchasing additional storage, and working towards a long term strategy for data management.	Medium	VP, IT & Strategic Management		30-Sep-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
9	13-ITGC-03	<p>A generic administrator ID was used for administering the Primeread metering application and is shared among administrators. Password exceptions found in the Primeread application were not documented on the Standard Exception Form.</p> <p>To mitigate this risk, periodic reviews of application user IDs are performed. Only a limited number of persons have access to the Primeread application.</p> <p>The use of generic user IDs prevents tracking user activity, therefore accountability cannot be enforced. The Internal Access Control Standard states that "Generic accounts shall not be used by users or support teams as much as possible in systems / devices / applications / databases. Security exceptions shall be used to document the usage of generic accounts if the system does not permit creation of specific named user accounts".</p>	<p>Investigation from the Security Operations team has been completed. The named generic account is actually a service account that is being used. The following steps below will be taken to ensure that the service account adheres to current IT standard:</p> <ol style="list-style-type: none"> <li>1. Password for the service account shall be changed and ensure only primary support personnel, backup and Supervisor are aware of the new password.</li> <li>2. Rename the account to follow Toronto Hydro service account naming standards.</li> <li>3. Submit extension of security exception form.</li> </ol> <p># 1 and # 2: Expected completed date is 2013-06-30. # 3: Security exception has already been submitted.</p>	Low	VP, IT & Strategic Management		30-Jun-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
10	13-ITGC-04	<p>We noted that version change control software is not used consistently throughout the Application Support Team. Version control software is currently used by the CC&amp;B team, however, not by other teams (e.g. reports built for Ellipse, BI, scripts used to support billing etc). Currently, there is not a policy or procedure in place to utilize the version control software across all applications to safeguard code and enforce version control.</p> <p>Best practice recommends using version control software to ensure a single repository of code for reports/programs with monitored access. Changes made to the code are tracked, along with the person making the change, why the change was made and references to problems fixed, or enhancements introduced, by the change. Version control software facilitates 'corporate memory' for software changes.</p>	Change control software is not consistently used. Management will re-introduce and roll-out TFS for source code control and work flow has been included in the Operational Plan (currently under review).	Low	VP, IT & Strategic Management		31-Dec-13
11	13-ITGC-05	<p>The framework used to manage projects and developing systems is currently under development and there is no finalized Project Management and System Development Life Cycle (SDLC) framework. However, fundamental elements of Project Management and System Development exist and are in practice such as approvals, testing, post implementation reviews etc. Best practice recommends that a framework document exists to ensure a consistent Project Management methodology is applied for all IT projects.</p>	Lessons learned analysis has been drafted. This will be reviewed for incorporation into a process for sustainable improvements. IT and EPMO Resources are working with OE to roll-out corporate level project management training. Enhancements to IT portfolio tracking workbook have been incorporated to support high level portfolio management and capacity planning.	Low	VP, IT & Strategic Management		30-Sep-13





# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
12	13-ITGC-06	<p>We noted the following exceptions during our review of the AIX operating system for selected financial applications:</p> <ul style="list-style-type: none"> <li>• Passwords on the logical partition were not setup in accordance with the Cyber Security Policy (e.g. minimum length not consistently enforced);</li> <li>• Terminated users were still listed on the operating system with file ownership;</li> <li>• Umask setting not set in accordance with AIX Security Policy section 4.1.2; and</li> <li>• Powerful root access was not limited to IT's AIX administrators.</li> </ul> <p>We were unable to determine who was responsible for reviewing the security settings of the AIX system to ensure that configuration settings comply with the Cyber Security Policy and/or the AIX Security Policy.</p> <p>To mitigate the risk, THC currently has an active Intrusion Detection/Intrusion Prevention System that monitors suspicious activities by external parties that may lead to unauthorized access. In addition, the level of exposure of the operating system to threats is lower given the architectural location of these servers.</p> <p>THC's Cyber Security Policy requires the use of access controls and processes to secure systems from unauthorized users.</p>	Remediation in progress. Working to establish operational remediation plan to identify legacy systems to bring up to standards. Reviewing existing AIX build book to ensure it aligns with cyber security policy.	Low	VP, IT & Strategic Management		30-Sep-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
13	13-CS-01	<p>We noted the following exceptions in the CC&amp;B reporting functions:</p> <p>(a) Scripts and queries that are heavily relied on by the Billing Department can be modified by General Service Billing Specialists ("GSBSs") as the logic of the scripts and queries are not "locked". This increases the risk of inaccurate data being used for decision making.</p> <p>(b) Within the area of Collections, only 6 out of 20 CC&amp;B reports are being produced as designed. The reports that are not being produced properly either fail to populate values, time-out prior to completion or provide inaccurate data. Not all reports that are not functioning properly have been replaced with scripts.</p> <p>(c) The month-end Retailer Aging AR report is not aging balances accurately and is currently estimating the aging bucket balances.</p> <p>(d) There has not been a write-off of bad debt since conversion to CC&amp;B in July 2011 as the functionality in supporting reports to capture bad debt balances was not delivered at the "Go-Live" date and the module is currently under development. This continues to generate a volume of To Dos in the Collection process. Currently, the progress on development of CC&amp;B generated reports since "Go-Live" has been slow. There is a current action plan in place to create queries and scripts as an interim strategy; however, this process has taken too long. The issues with respect to the Retailer Aging AR Report and the Write-off of Bad Debt Report are currently being addressed by IT and the business unit.</p>	<p>(a) and (b) List of all scripts in all areas is being compiled, and then prioritized for conversion. Each area in AR is working to determine which of the queries need to be converted. IT will work closely with the Business Unit to complete.</p> <p>(c) This report is in development.</p> <p>(d) The reports that track accounts written off are in testing. Write-off functionality is completed. Once the reports are ready, a small sample of accounts will be written off to validate that the functionality works before doing mass write-offs. We continue working to balance what is in the write-off table against expected dollar values.</p>	Medium	VP, Customer Care & CCO		<p>a) and b) December 31, 2013;c) September 30, 2013; andd) December 31, 2013</p>



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
14	13-CS-02	<p>The Retailer To Dos in CC&amp;B have a defect that prevents consideration of reversals that are made on retailer accounts when billing the customer. On certain accounts, the IBR (inbound rate) cancel is received from the retailer; however, CC&amp;B is not automatically posting the reversal on the respective customer's bill. The new bill is completed without taking into consideration the original cancelled usage and IBR. Thus, overcharging or undercharging the customer for this adjustment. A To Do is generated for the accounts that are not properly settled but the system is unable to identify the magnitude of the balances impacted by this defect.</p> <p>A second exception related to "usage cancels" exists where at times the usage cancel is generated by CC&amp;B but not received by the retailers, thus, causing a similar impact to the customer's bill and retailer settlement.</p> <p>Although the business unit is aware of the deficiencies noted, efforts to develop manual work-arounds to address this issue have been unsuccessful until this time. Correcting this defect is part of a larger project that addresses all the defects in the Market Transaction Messaging module (MTM) and is not scheduled to be completed until Q4 2013.</p> <p>The Retail Settlement Code established by the OEB sets forth the minimum obligations that a distributor and retailer must meet in determining the financial settlement costs of electricity retailers and consumers.</p>	The defect correction is with Oracle and code development is expected to be delivered by August. It will then require testing, and perhaps a second round of development before implementation. On track as per expected schedule.	Medium	VP, Customer Care & CCO		31-Mar-14



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
15	13-CS-03	<p>We noted that Billing CSRs are being cross trained for tasks previously completed by the Billing Data Management ("BDM") CSRs and vice-versa. The purpose of this cross training is to increase the efficiencies in the billing processes. This concentration of function allows the CSR group to change meter read information which in turn directly changes billing amounts. This increases the potential for fraudulent transactions.</p> <p>While there is an "Audit Trail" function within CC&amp;B that can track the adjustments made by CSRs and provide details of who created the adjustment, details of the adjustment, etc; it is not in production at this point in time.</p> <p>A detective compensation control is in place as a Quality Review program exists in the Billing and BDM Departments. Reviews are completed each month on all CSRs who perform manual adjustments to meter reads or billing data. The purpose of these reviews is to assess the reasonableness and accuracy of adjustments completed by CSRs. Samples are limited to 3 transactions per CSR and are on a random basis not on any particular criteria identified (i.e. large adjustments, re-occurring adjustments, etc).</p>	The query development is in the requirements gathering phase. This is on track and scheduled to be completed as per projected timelines.	Low	VP, Customer Care & CCO		ODS Query: September 30, 2013; Audit Functionality: June 30, 2014








# Internal Audit Department

Summary of Q2, 2013 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on August 13, 2013



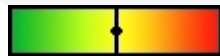
# Executive Summary

Internal Audit continues to be actively engaged in assurance and consulting assignments throughout Toronto Hydro in the second quarter of 2013. The results of our work indicate that Management's control over business activities remain **effective**.

Status	Audit Operations	Summary
	Quarterly Audit Activities	No audit reports were issued this quarter.
	Management's Remediation Plan Progress	Number of outstanding audit issues has reduced by 47%. Excellent effort by Management.
	Internal Audit Initiatives	Department continues to work collaboratively with other departments to raise its profile.
	Audit Plan Progress and Changes to the Audit Plan	Reporting on Customer Connections well underway. Revisions and additions to the Plan provided for review and discussion.
	Internal Audit Group Management	Department is now at full complement.



= Critical items requiring Audit Committee attention



= Important issues that warrant discussion



= Operating as expected



# Management's Remediation Plan Progress

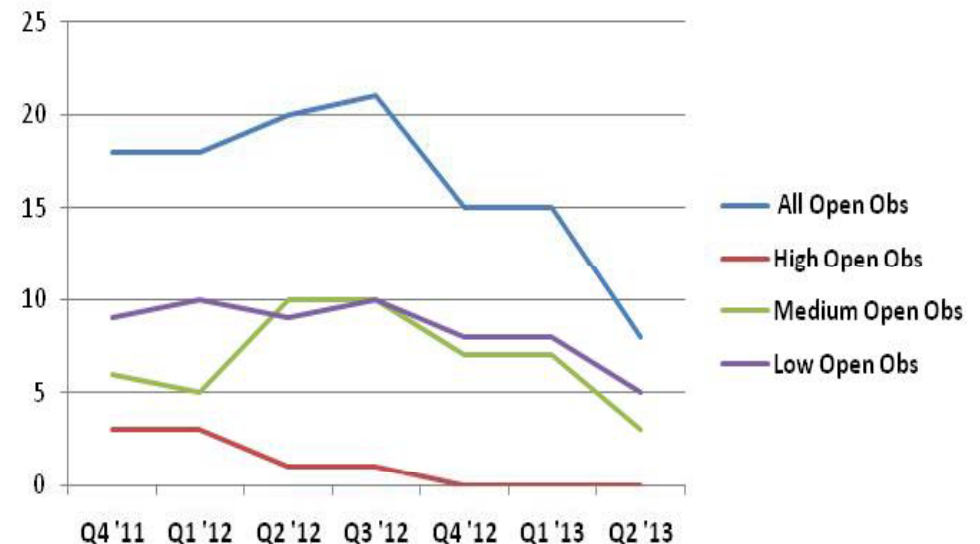
## HIGHLIGHTS

As previously reported, IA modified the outstanding open item process in November 2012 to improve the quality of Management discussion and awareness. IA continues to meet with Management on a quarterly basis to discuss the risk exposure and confirm progress on outstanding remediation plans. IA is pleased with the depth of Management's analysis and monitoring of their remediation projects. Management has been very successful in their remediation efforts this quarter:

- ❖ 7 outstanding observations closed during the quarter, a reduction of 47%.
- ❖ One of the issues closed was an item that had been outstanding for over a year (12-ITGC-02: Security Patches)
- ❖ No delays reported for targets on remediation projects
- ❖ No new observations added during the quarter

Details of all Outstanding Observations, including Management's most recent commentary, follow at **Appendix A**.

Outstanding Open Issues: Q4 2011 – Q2 2013\*



\* Cut off for remediation evaluation for Q2, 2013 was July 16, 2013



# Management's Remediation Plan Progress (cont'd)

## HIGHLIGHTS

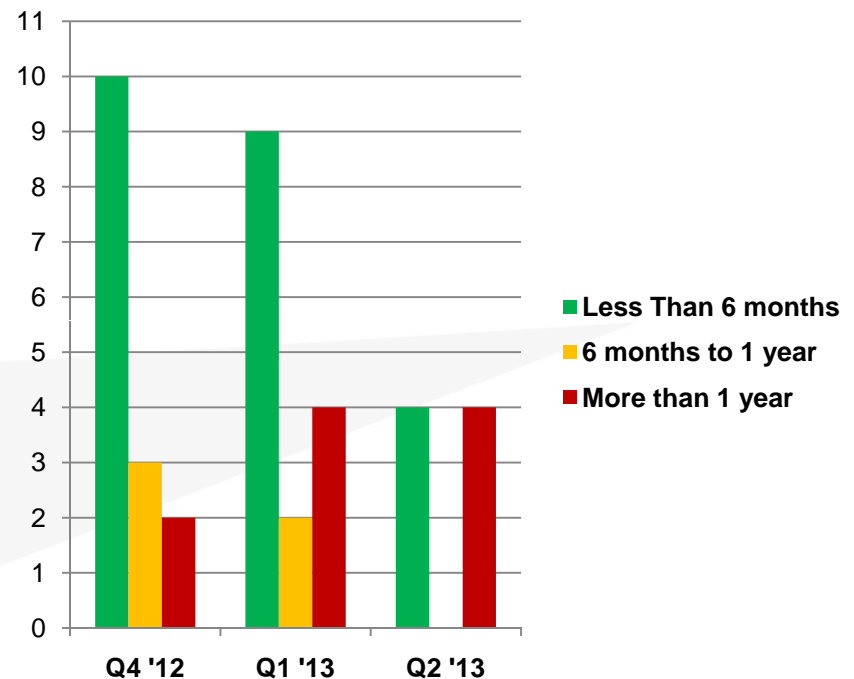
The number of outstanding audit issues older than a year has remained constant since last quarter. One observation (12-ITGC-02: Security Patches) was remediated but another observation (12-CS-12: Commercial Deposit Reports) has moved into the “older than 1 year” category, this quarter.

Outstanding issues older than 1 year (all “Low” risk, except 12-CS-12 which is “Medium”):

1. 07-CG-01: **“Integrated Master Business Continuity Planning”** – three disaster preparedness exercises were held within the quarter. Management continues to make significant strides and IA is pleased with momentum.
2. 11-AMSR-03: **“Load Estimation for Astral Media”** – the request for quotation for a robust audit program to validate consumption estimates for all unmetered scattered load clients continue to move forward. No concerns from an IA perspective.
3. 12-CS-12: **“Commercial Deposit Reports”** – significant work was performed by management to review and rank each and every outstanding service request. No concerns from an IA perspective.
4. 12-ITGC-06: **“Active Directory Clean-Up Project”** – multi-phased project with December 31, 2013 target date. Progress is on track with compensating controls in place to manage this low risk observation.

**Management is fully aware of the status of the above projects and is taking appropriate actions to close items.**

Aging of Issues





# Appendix A

## Open Observations



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
1	07-CG-01	There is no integrated master business continuity plan (BCP).	<p>Three disaster preparedness exercises have been held within the quarter (April 2, April 22 and May 9). All exercise reports have been completed and will be presented at the July Corporate Disaster Preparedness forum (Managers and Directors) and Steering Committee (All Executives). Areas for improvement and recommendations stemming from the exercise reports will be presented for action.</p> <p>Business continuity planning is scheduled to begin in August; with a presentation to the Corporate Disaster Preparedness forum on the methodology and process moving forward. The Corporate Disaster Preparedness forum will also be asked to approve a draft Table of Contents for the Emergency Preparedness plan.</p>	Low	VP, IT & Strategic Management	31-Dec-08  Revised to: 31-Dec-09  Revised to: 31-Dec-11  Revised to: 31-Dec-12	30-Sep-14
2	12-CS-12	<p>We found the following user actions that impact deposits processing are not reported for supervisory review and follow-up:</p> <p>i. No reports are produced that highlight accounts that are set-up without a deposit requirement or where the deposit requirement was changed from the recommended amount. We found that commercial accounts were set-up without a deposit requirement and with no explanation why the deposits were waived.</p> <p>ii. Deposit reassessment is done annually, not necessarily on the anniversary of the security deposit. As of Nov. 2011, the deposit reassessment process did not accommodate the latest OEB changes that allow customers to pay the security deposit by instalments.</p>	<p>(i) The report remains outstanding due to competing priorities for IT and AR. There is a reduced risk as all residential deposits have been returned, and only commercial deposits are now being leveraged. Some compensating controls exist through monthly monitoring of deposits refunded, and through automated approvals in CC&amp;B for refunds. Although the commercial deposit report work has not started as yet, there has been significant work done by Accounts Receivable and Settlement teams to review and rank each and every outstanding SR. This ranking included a scoring scheme of 4 categories; Compliance, Finance, Operations and Customer Satisfaction. The SRs are now in prioritization order and will be worked as such.</p> <p>(ii) This item is closed as the reassessment was completed in 2012.</p>	Medium	VP, Customer Care & CCO	29-Sep-12  Revised to: 31-Dec-12  Revised to: 31-Mar-13	31-Dec-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
3	11-AMSR-03	<p>No verification for Load Estimation provided by Astral Media.</p> <p>We noted that THESL used the Load Estimation provided by Astral Media as the consumption for the monthly flat rate billing. No Load Estimation verification was performed by THESL to verify if the information provided by the customer was correct.</p> <p>With over 25,000 street furniture (Bus Shelters, Info Post, Automated Public Washrooms, Litter/Recycle Bins, etc.) under the City of Toronto and Astral Media agreement, if the Load Estimation for the street furniture that require power is not correct, THESL may incur a long term revenue loss.</p> <p>It will also contribute to the difference of the billed consumption and the actual consumption of the THESL system. This will impact the accuracy of the Financial Reporting.</p>	<p>Asset Attachments and Leases (AM), with input from SDS, is developing an RFQ to be distributed for detailed proposals from vendors and pricing for auditing services.</p> <p>Asset Attachments and Leases (will own the auditing program) is aiming to have the RFQ distributed by Q4</p> <p>Once vendor is chosen, annual auditing schedule to be finalized and auditing to begin.</p>	Low	VP, Distribution Grid Management	<p>31-Jan-12</p> <p>Revised to: 30-Jun-12</p> <p>Revised to: 31-Jul-12</p> <p>Revised to: 31-Aug-12</p> <p>Revised to: 31-Dec-12</p>	31-Dec-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
4	12-ITGC-06	User IDs of staff (including user IDs of IT staff) continue to exist within network groups, individual applications and databases although these staff are no longer employed by THC. In some cases, although their network access was removed, the removal did not extend to certain network groups (e.g. TED support, Account Operator, Admin groups), smart meter systems, customer care and billing systems, job scheduling system or databases. A separate task was not set-up as part of the termination process for users of certain systems such as CC&B (customer care and billing systems), ODS or MAS (smart meter systems).	The AD Phase 2 project is in the process of being re-initialized to address heterogeneous user authentications. The estimated project timeline from start to completion is 1 year initiating from Q3 2013 to Q3 2014.	Low	VP, IT & Strategic Management	31-Dec-12	31-Dec-13



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
5	13-ITGC-06	<p>We noted the following exceptions during our review of the AIX operating system for selected financial applications:</p> <ul style="list-style-type: none"> <li>• Passwords on the logical partition were not setup in accordance with the Cyber Security Policy (e.g. minimum length not consistently enforced);</li> <li>• Terminated users were still listed on the operating system with file ownership;</li> <li>• Umask setting not set in accordance with AIX Security Policy section 4.1.2; and</li> <li>• Powerful root access was not limited to IT's AIX administrators</li> </ul> <p>We were unable to determine who was responsible for reviewing the security settings of the AIX system to ensure that configuration settings comply with the Cyber Security Policy and/or the AIX Security Policy.</p> <p>To mitigate the risk, THC currently has an active Intrusion Detection/Intrusion Prevention System that monitors suspicious activities by external parties that may lead to unauthorized access. In addition, the level of exposure of the operating system to threats is lower given the architectural location of these servers. THC's Cyber Security Policy requires the use of access controls and processes to secure systems from unauthorized users.</p>	Remediation in progress. Working to establish operational remediation plan to identify legacy systems to bring up to standards. Reviewing existing AIX build book to ensure it aligns with cyber security policy.	Low	VP, IT & Strategic Management		30-Sep-13



# Appendix A

## Open Observations (Remediation in Progress)

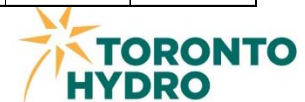
Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
6	13-CS-01	We noted the following exceptions in the CC&B reporting functions:(a) Scripts and queries that are heavily relied on by the Billing Department can be modified by General Service Billing Specialists ("GSBSs") as the logic of the scripts and queries are not "locked". This increases the risk of inaccurate data being used for decision making. (b) Within the area of Collections, only 6 out of 20 CC&B reports are being produced as designed. The reports that are not being produced properly either fail to populate values, time-out prior to completion or provide inaccurate data. Not all reports that are not functioning properly have been replaced with scripts.(c) The month-end Retailer Aging AR report is not aging balances accurately and is currently estimating the aging bucket balances. (d) There has not been a write-off of bad debt since conversion to CC&B in July 2011 as the functionality in supporting reports to capture bad debt balances was not delivered at the "Go-Live" date and the module is currently under development. This continues to generate a volume of To Dos in the Collection process. Currently, the progress on development of CC&B generated reports since "Go-Live" has been slow. There is a current action plan in place to create queries and scripts as an interim strategy; however, this process has taken too long. The issues with respect to the Retailer Aging AR Report and the Write-off of Bad Debt Report are currently being addressed by IT and the business unit.	(a) and (b) All scripts have now been reviewed and those requiring conversion to reports have been identified. Development process has not yet begun.(c) An open IT Service Request to correct the report is in development and has been escalated to manage due date expectations.(d) Write-off reports have moved from SIT to UAT testing. A small sample of accounts is scheduled for write-off in August to test the process. Balancing work is iterative and good progress being made. On schedule to perform actual write-offs near the end of Q3.	Medium	VP, Customer Care & CCO		a) and b) December 31, 2013;c) September 30, 2013; andd) December 31, 2013



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
7	13-CS-02	<p>The Retailer To Dos in CC&amp;B have a defect that prevents consideration of reversals that are made on retailer accounts when billing the customer. On certain accounts, the IBR (inbound rate) cancel is received from the retailer; however, CC&amp;B is not automatically posting the reversal on the respective customer's bill. The new bill is completed without taking into consideration the original cancelled usage and IBR. Thus, overcharging or undercharging the customer for this adjustment. A To Do is generated for the accounts that are not properly settled but the system is unable to identify the magnitude of the balances impacted by this defect.</p> <p>A second exception related to "usage cancels" exists where at times the usage cancel is generated by CC&amp;B but not received by the retailers, thus, causing a similar impact to the customer's bill and retailer settlement.</p> <p>Although the business unit is aware of the deficiencies noted, efforts to develop manual work-arounds to address this issue have been unsuccessful until this time. Correcting this defect is part of a larger project that addresses all the defects in the Market Transaction Messaging module (MTM) and is not scheduled to be completed until Q4 2013.</p> <p>The Retail Settlement Code established by the OEB sets forth the minimum obligations that a distributor and retailer must meet in determining the financial settlement costs of electricity retailers and consumers.</p>	<p>On Track. Root cause creating issue remains unidentified, however,</p> <p>a) a workaround has been created and is in the testing phase, with current go live predicted to be August 2013.</p> <p>b) MTM phase 1 updates to address MTM processing in general is also progressing, with go live predicted to be October 2013.</p> <p>Given the low volume, the work around will be sufficient in the event root cause remains outstanding after Phase 1 is in place.</p>	Medium	VP, Customer Care & CCO		31-Mar-14



# Appendix A

## Open Observations (Remediation in Progress)

Gap #	Gap Identifier	Gap Description	Management Response and Action Plan	Significance of Control Weakness	Responsible Party	Due Date Changes	Current Due Date
8	13-CS-03	<p>We noted that Billing CSRs are being cross trained for tasks previously completed by the Billing Data Management ("BDM") CSRs and vice-versa. The purpose of this cross training is to increase the efficiencies in the billing processes. This concentration of function allows the CSR group to change meter read information which in turn directly changes billing amounts. This increases the potential for fraudulent transactions.</p> <p>While there is an "Audit Trail" function within CC&amp;B that can track the adjustments made by CSRs and provide details of who created the adjustment, details of the adjustment, etc; it is not in production at this point in time.</p> <p>A detective compensation control is in place as a Quality Review program exists in the Billing and BDM Departments. Reviews are completed each month on all CSRs who perform manual adjustments to meter reads or billing data. The purpose of these reviews is to assess the reasonableness and accuracy of adjustments completed by CSRs. Samples are limited to 3 transactions per CSR and are on a random basis not on any particular criteria identified (i.e. large adjustments, re-occurring adjustments, etc).</p>	<p>Report development on track for completion by due date.</p> <p>Audit functionality included in Release 4 project scheduled for 2014.</p>	Low	VP, Customer Care & CCO		<p>ODS Query: September 30, 2013; Audit Functionality: June 30, 2014</p>










# Internal Audit Department

Summary of Q3, 2013 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on November 12, 2013



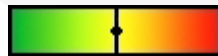
# Executive Summary

Internal Audit continues to be actively engaged in assurance and consulting assignments throughout Toronto Hydro in the third quarter of 2013. The results of our work indicate that Management's control over business activities remain **effective**.

Status	Audit Operations	Summary
	Quarterly Audit Activities	Two Audit reports were issued this quarter: <i>Asset Attachment &amp; Leases</i> and <i>New Customer Connections</i> .
	Management's Remediation Plan Progress	17 new action plans added this quarter. Older observations continue to have good traction.
	Internal Audit Initiatives	Department continues to work collaboratively with other departments to raise its profile.
	Audit Plan Progress and Changes to the Audit Plan	Good progress with planned audits. Challenging Q4/Q1 anticipated given staffing shortfall.
	Internal Audit Group Management	Kristen Palmer resigned November 1 to pursue an opportunity in Bermuda. Recruiting is underway.



= Critical items requiring Audit Committee attention



= Important issues that warrant discussion



= Operating as expected



# Quarter End Status Highlights

## SUMMARY OF AUDIT ACTIVITIES

Internal Audit (IA) issued two audit reports and one ICFR memo since our last report to the Audit Committee.

### New Customer Connections

The audit focused on assessing the design and function of the internal controls over the New Customer Connections process. Utilizing a cradle-to-grave approach to better evaluate hand-offs between departments, this audit followed the process flow from initiation and planning, through construction and connection, billing and capitalization, as required. The audit provided assurance across 24 auditable entities in the internal audit universe.

### Asset Attachment & Leases

The audit focused on assessing the design and function of the internal controls over the Asset Attachment & Leases process. We reviewed selected controls across three major categories:

- Overhead telecommunication attachments
- Underground telecommunication attachments
- Relocations (planned capital & reactive work)

This audit followed the process flow from initiation and planning, through construction and connection and billing, as required.

### New Customer Connections – Needs Improvement

Impact/Severity	# Audit Issues
High	0
Medium	7
Low	4
Total Issues	11

None of the observations noted indicate that a material weakness exists in the internal controls over financial reporting.

### Asset Attachment & Leases – Needs Improvement

Impact/Severity	# Audit Issues
High	0
Medium	1
Low	5
Total Issues	6

None of the observations noted indicate that a material weakness exists in the internal controls over financial reporting.



# Management's Remediation Plan Progress

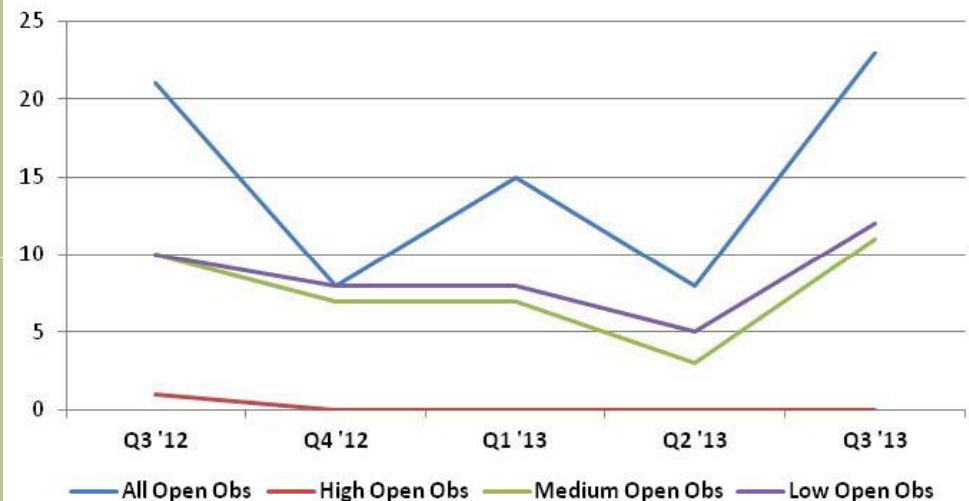
## HIGHLIGHTS

As previously reported, IA modified the outstanding open item process in November 2012 to improve the quality of Management discussion and awareness. IA continues to be pleased with the depth of Management's analysis and monitoring of their remediation projects.

- ❖ 17 new observations added in the quarter (New Customer Connections and Asset Attachment & Leases audits)
- ❖ Information Technology successfully closed two open observations. One (07- GC-01: Disaster Recovery Plan) had been outstanding for 5 years. IA attended an Executive DRP simulation (October 17) and was very impressed with the DRP methodology and commitment Toronto Hydro has embedded at an executive level. The second (13-ITGC-06) was a lower risk issue related to AIX security.
- ❖ Three remediation plans were granted extensions based on changes to work plan and/or approach.
- ❖ All responses to remediation efforts demonstrated management's active monitoring of progress.

Details of all Outstanding Observations, including Management's most recent commentary, are available on request.

## Outstanding Open Issues: Q3 2012 – Q3 2013\*



\* Cut off for remediation evaluation for Q3, 2013 was October 31, 2013



# Management's Remediation Plan Progress (cont'd)

## HIGHLIGHTS

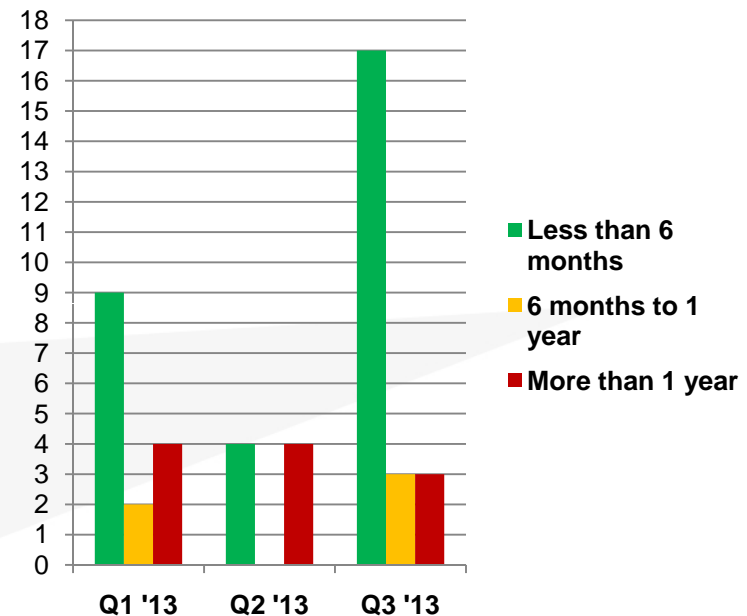
Given a large influx of new observations, aging of observations is now markedly skewed to “current”. This along with the closure of 07-CG-01 (Disaster Recovery Plan) has moved the average age of outstanding issues to just 4 months.

IA continues to be satisfied with management's progress on outstanding issues older than 1 year (all “Low” risk, except 12-CS-12 which is “Medium”), which are summarized below:

1. 11-AMSR-03: **“Load Estimation for Astral Media”** – the RFP for third party audit services to validate consumption estimates for all unmetered scattered load clients is scheduled for completion in mid-December. Project continues to track to plan; no concerns from an IA perspective.
2. 12-CS-12: **“Commercial Deposit Reports”** – significant work has been performed by management to review and rank each and every outstanding service request. Project is in the design and development phase. No concerns from an IA perspective.
3. 12-GC-06: **“Active Directory Clean-Up Project”** – An extension was granted to this project this quarter (from Q4 2013 to Q4 2014) to accommodate a broader Phase 2 project. Compensating controls remain in place to manage this low risk observation during project completion.

**Management is fully aware of the status of the above projects and is taking appropriate actions to close items.**

## Aging of Issues








# Internal Audit Department

Summary of Q4, 2013 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on March 17, 2014



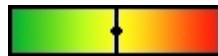
# Executive Summary

Internal Audit continues to be actively engaged in assurance and consulting assignments throughout Toronto Hydro in the fourth quarter of 2013. The results of our work indicate that Management's control over business activities remain **effective**.

Status	Audit Operations	Summary
	Quarterly Audit Activities	No audit reports were issued this quarter.
	Management's Remediation Plan Progress	8 Management Action Plans were remediated by year end. All were from recent audits.
	Internal Audit Initiatives	Department continues to work collaboratively with other departments to raise its profile.
	Audit Plan Progress and Changes to the Audit Plan	Meetings were held in January and February with VPs to confirm divisional risk assessments and confirm audit priorities. Additions made to the Audit Plan.
	Internal Audit Group Management	New Senior Auditor, Abbas Lakha CA, CPA joined the department in February and the department is fully staffed.



= Critical items requiring Audit Committee attention



= Important issues that warrant discussion



= Operating as expected



# Management's Remediation Plan Progress

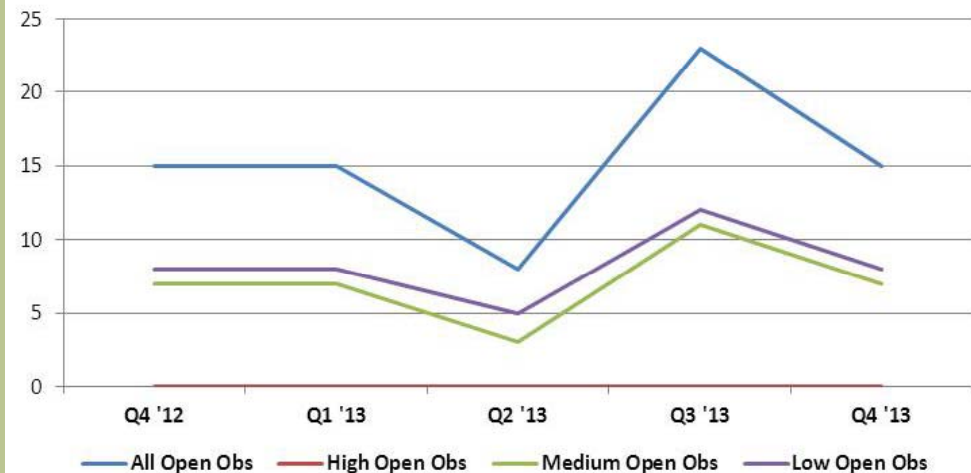
## HIGHLIGHTS

As previously reported, IA modified the outstanding open item process in November 2012 to improve the quality of Management discussion and awareness. Feedback from the Vice Presidents on this process has been favourable with several including the QARF report in their OSRs. IA continues to be pleased with the depth of Management's analysis and monitoring of their remediation projects.

- ❖ No new observations added in the quarter.
- ❖ Grid Operations successfully closed four management action plans (three low and one medium risk observations) from the Asset Attachment & Leases audit.
- ❖ From the New Customer Connections audit, Engineering & Construction successfully remediated three action plans (one low and two medium risk items) and Customer Services successfully completed another remediation plan associated with a medium risk observation.
- ❖ Three remediation plans were granted extensions based on changes to work plan and/or approach.
- ❖ All responses to remediation efforts demonstrated management's active monitoring of progress.

Details of all Outstanding Observations, including Management's most recent commentary, are available upon request.

Outstanding Open Issues: Q4 2012 – Q4 2013\*



\* Cut off for remediation evaluation for Q4, 2013 was January 31, 2014





# Management's Remediation Plan Progress (cont'd)

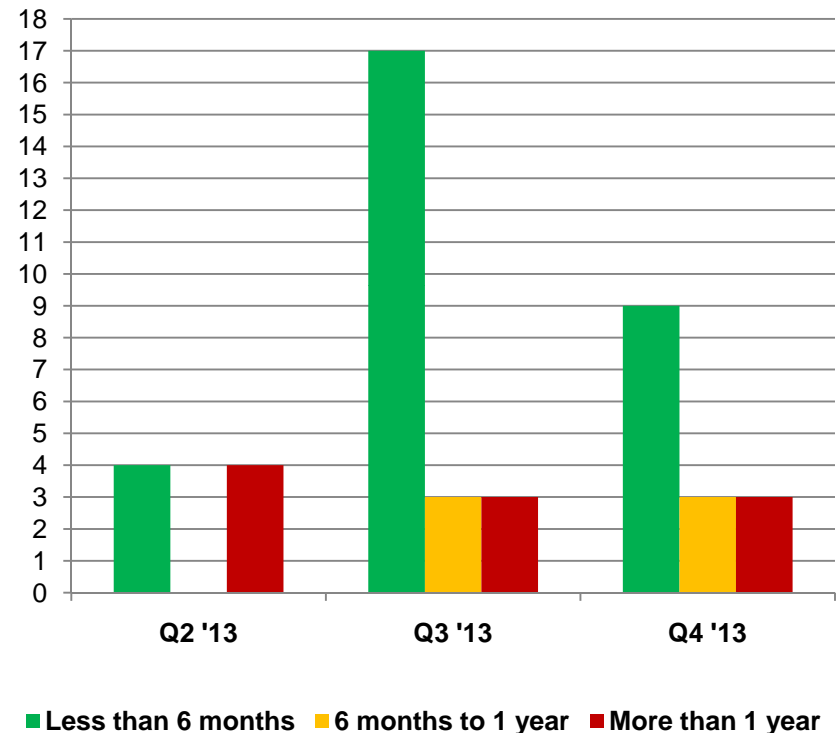
## HIGHLIGHTS

The average age of outstanding issues has deteriorated slightly to 6 months. Management's progress in the last quarter was very good but the three oldest items remain open. IA remains satisfied with the progress on these projects and believes that management is making appropriate decisions to resolve them.

1. 11-AMSR-03: **"Load Estimation for Astral Media"** – This Action Plan is almost complete as a third party is auditing several locations of Astral Media Street furniture to determine if an RFQ will proceed (variance in measurements will drive the decision). Measurements should be available by end of Q1, 2014.
2. 12-CS-12: **"Commercial Deposit Reports"** – the report is currently in the requirements gathering phase with IT and is on track for completion by due date.
3. 12-ITGC-06: **"Active Directory Clean-Up Project"** – An extension was granted to this project this quarter (from Q4 2013 to Q4 2014) to accommodate a broader Phase 2 project. Compensating controls remain in place to manage this low risk observation during project completion.

**Management is fully aware of the status of the above projects and is taking appropriate actions to close items.**

## Aging of Issues\*



\* Aging as at December 31, 2013




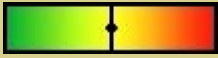



# Internal Audit Department

Summary of Q1, 2014 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on May 12, 2014



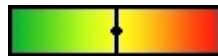
# Executive Summary

Internal Audit continues to be actively engaged in assurance and consulting assignments throughout Toronto Hydro in the first quarter of 2014. The results of our work indicate that Management's control over business activities remain **effective**.

Status	Audit Operations	Summary
	Quarterly Audit Activities	No Audit reports were issued this quarter.
	Management's Remediation Plan Progress	9 Management Action Plans were remediated in Q1 reducing outstanding issues by 60%. Aging has deteriorated as some older action plans remain outstanding.
	Internal Audit Initiatives	Department continues to work collaboratively with other departments to raise its profile.
	Audit Plan Progress and Changes to the Audit Plan	No changes were made in Q1 to the Audit Plan. All planned audits underway with good traction.
	Internal Audit Group Management	No human resourcing issues. Department working productively.



= Critical items requiring Audit Committee attention



= Important issues that warrant discussion



= Operating as expected



# Management's Remediation Plan Progress

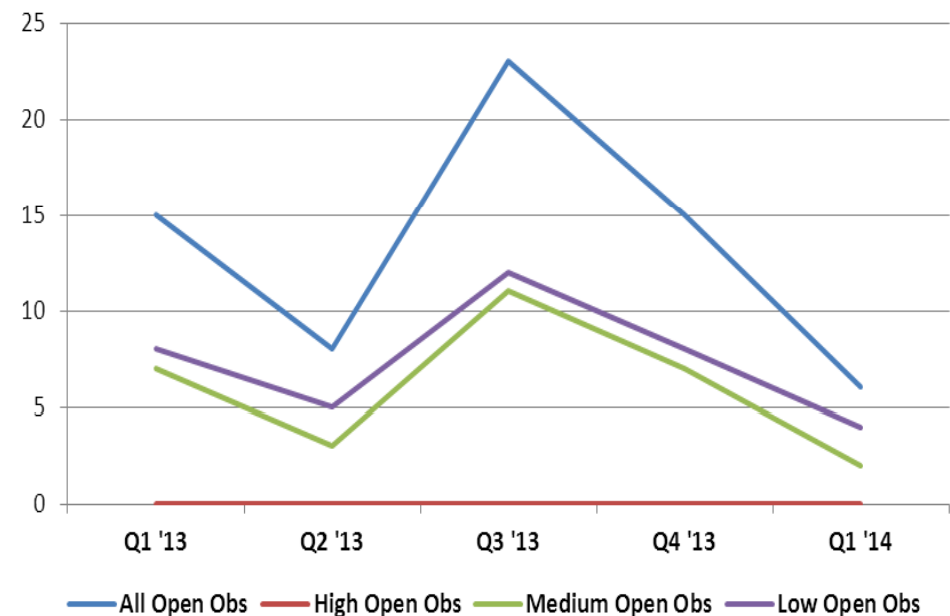
## HIGHLIGHTS

As previously reported, IA modified the outstanding open item process in November 2012 to improve the quality of Management discussion and awareness. Feedback from the Vice Presidents on this process has been favourable with several including the QARF report in their OSRs. IA continues to be pleased with the depth of Management's analysis and monitoring of their remediation projects.

- ❖ 9 out of 15 Management Action Plans were closed this quarter. Successful remediations occurred in all Divisions.
- ❖ No new observations added in the quarter.
- ❖ Two remediation plans were granted extensions based on changes to work plan and/or approach. No concerns from an internal audit perspective on these extensions.
- ❖ All responses to remediation efforts demonstrated management's active monitoring of progress.

Details of all Outstanding Observations, including Management's most recent commentary, are available upon request.

## Outstanding Open Issues: Q1 2013 – Q1 2014



# Management's Remediation Plan Progress (cont'd)

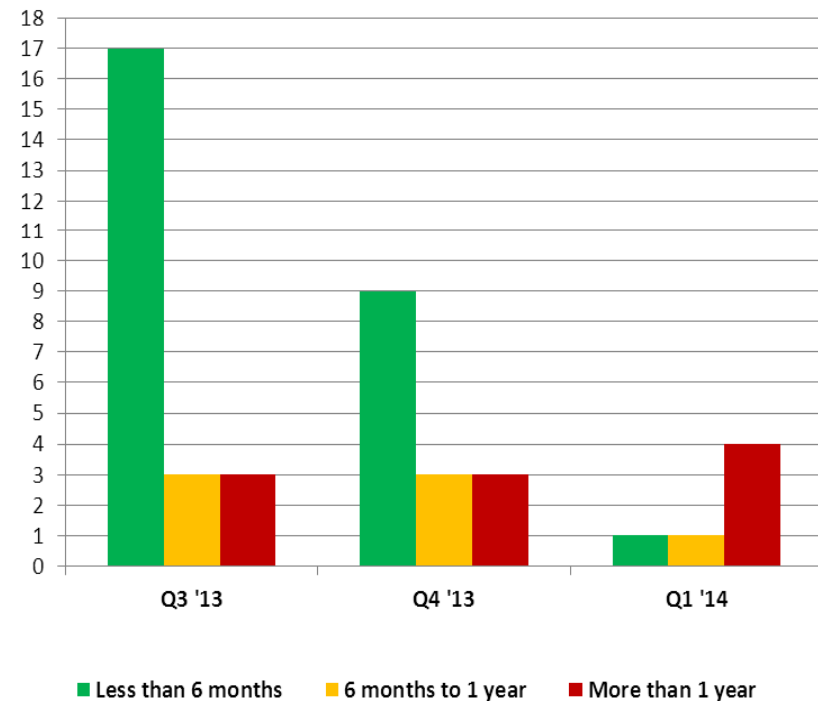
## HIGHLIGHTS

The average age of outstanding issues has deteriorated to 15 months. Management's progress in the last quarter was very good but the older items, all of which have an IT dependency, will likely not be completed until the end of this year.

1. 12-CS-12: **"Commercial Deposit Reports"** – Extension granted to September 2014. Commercial deposit report expected by June, risk limited to minor financial risk if commercial deposit is not requested at time of set up.
2. 12-ITGC-06: **"Active Directory Clean-Up Project"** – An extension was granted to this project last quarter to accommodate a broader Phase 2 project (Q4 2014). Compensating controls remain in place to manage this low risk observation during project completion.
3. 13-CS-01: **"CC&B Reports"** – Last of reporting requirements to be met by December 2014. Limited risk as standardized queries are being utilized with other compensating controls in place.
4. 13-CS-03: **"Audit Functionality in CC&B"** – The audit logging functionality has proven to be cost prohibitive and a permanent manual solution is being developed for implementation by Q4. Compensating controls currently in place and residual risk is low.

**Management continues to actively monitor all outstanding audit gaps.**

## Aging of Issues\*



\* Aging as at March 31, 2014




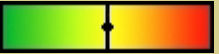



# Internal Audit Department

Summary of Q2, 2014 Audit Reports issued and update for  
Management's Remediation plan presented to the Audit  
Committee on August 13, 2014



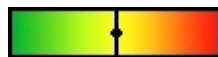
# Executive Summary

Internal Audit continues to be actively engaged in assurance and consulting assignments throughout Toronto Hydro in the second quarter of 2014. The results of our work indicate that Management's control over business activities remain **effective**.

Status	Audit Operations	Summary
	Quarterly Audit Activities	One audit report (Asset Derecognition – <b>Needs Improvement</b> rating) was issued in the quarter.
	Management's Remediation Plan Progress	No Management Action Plans were remediated in Q2. Aging has improved to 10 months due to the addition of 5 new action plans.
	Internal Audit Initiatives	Department continues to work collaboratively with other departments to raise its profile.
	Audit Plan Progress and Changes to the Audit Plan	Two new consultation projects were added in Q2 resulting in some reprioritization in the Audit Plan.
	Internal Audit Group Management	No human resourcing issues. Department working productively.



= Critical items requiring Audit Committee attention



= Important issues that warrant discussion



= Operating as expected



# Quarter End Status Highlights

## SUMMARY OF AUDIT ACTIVITIES

Internal Audit (IA) issued one Audit report since our last report to the Audit Committee.

### Asset Derecognition Audit

The audit focused on assessing the design and function of the internal controls over the Asset Derecognition process and its supporting systems including financial reporting. The process to derecognize capital assets at Toronto Hydro is complex and reliant on manual processes involving three primary information technology systems, each with a different purpose (GEAR, Ellipse and SAP). Management is aware of the potential for error that is inherent in the current system and has undertaken several major initiatives in the past year to improve data quality and integrity. Our audit confirmed that while asset derecognition from a financial reporting perspective is adequate, there are weaknesses and opportunities to improve the data integrity of capital asset information in specific areas that, in combination, could potentially have a negative impact for Toronto Hydro.

All of the high risk observations pertained to data integrity issues with one or more of the three asset repository databases. Management has developed detailed action plans all with target completion dates within the next nine months to address the risk exposures and tighten internal controls.

### Asset Derecognition – Needs Improvement

Impact/Severity	# Audit Issues
High	4
Medium	1
Low	0
Total Issues	5

**None of the observations noted indicate that a material weakness exists in the internal controls over financial reporting**

#### ICFR Controls Tested

No exceptions noted	2
Exceptions noted	0
Total ICFR Controls	2

#### Controls Tested (includes ICFR)

No exceptions noted	8
Exceptions noted	14
Total Controls	22





# Management's Remediation Plan Progress

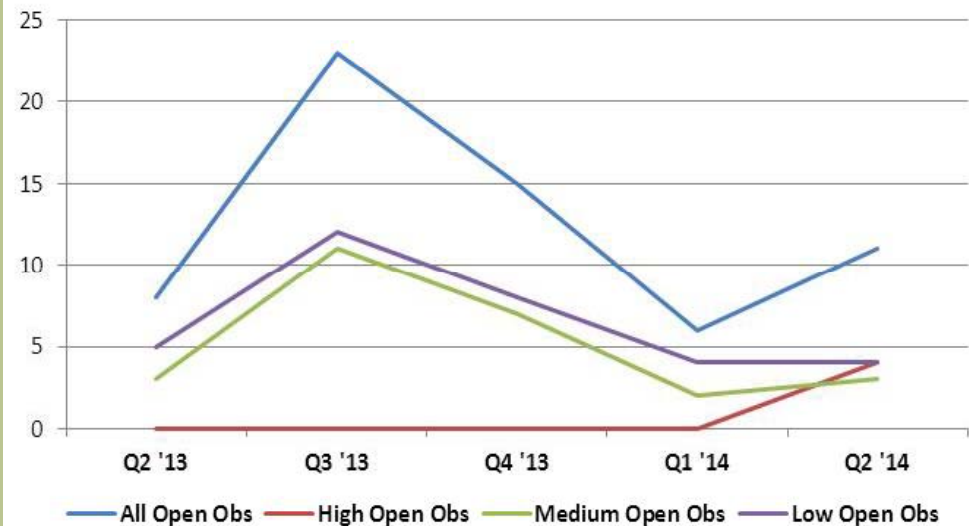
## HIGHLIGHTS

As previously reported, IA modified the Outstanding Open Issue process in November 2012 to improve the quality of Management discussion and awareness. Feedback from the Vice Presidents on this process has been favourable with several including the QARF (Quarterly Audit Report Follow-up) report in their monthly departmental meetings. IA continues to be pleased with the depth of Management's analysis and monitoring of their remediation projects.

- ❖ No Management Action Plans were closed this quarter.
- ❖ Five (5) new observations added in the quarter: 4 high and 1 medium issues from the Asset Decommissioning audit.
- ❖ One remediation plan was granted extension based on changes to work plan and/or approach. No concerns from an internal audit perspective on this three month extension (new due target date – September, 2014).
- ❖ All responses to remediation efforts demonstrated management's active monitoring of progress.

Details of all Outstanding Observations, including Management's most recent commentary, are available upon request.

**Outstanding Open Issues: Q2 2013 – Q2 2014**



# Management's Remediation Plan Progress (continued)

## HIGHLIGHTS

Four High Risk Observations were raised in the Asset Derecognition Report. All related to **Data Integrity Issues with Asset Management Systems**, were multi-part and have detailed action plans. Given their high risk rating, we will report to you on a quarterly basis until they are closed.

1. 14-AD-01: **“Documentation, tracking and technical analysis of physical assets”** – Opportunities to improve: reconciliations of detailed plans against physical construction; project attainment process; and information flow to the Records department were raised.
2. 14-AD-02: **“Information within supporting documents and systems are not consistent with equipment physically located at sites”** – In a limited sample, discrepancies were found between the GEAR system, Ellipse and the assets in the field. Discrepancies within GEAR and Ellipse were known to management and several projects are underway to address these issues. Duplicate records within GEAR were identified for switches and transformers
3. 14-AD-03: **“Asset safeguarding and fraud risk”** – Assets are not always used on the project that they were originally assigned to and the internal controls to track these situations are weak, thus increasing the risk of fraud and errors in asset integrity
4. 14-AD-04: **“Incomplete or missing Equipment Change Out Forms”** – In a limited sample, a significant number of incomplete or missing Equipment Change Out Forms were identified which impedes *Records Management's* ability to update Ellipse and GEAR.

## Management's Progress to date

- ✓ 7 Point Check List (including a reconciliation of Equipment Change Out Forms) rolled out with progress monitored bi-weekly with Program Managers
- ✓ Duplicate entries have been corrected in GEAR and a new process has been introduced to prevent duplications from re-occurring
- ✓ Several projects are underway or already complete to address Asset Safeguarding issues
- ✓ Processes to improve ECF control, return and reconciliation were initiated before this audit and results indicate improved control



# Management's Remediation Plan Progress (continued)

## HIGHLIGHTS

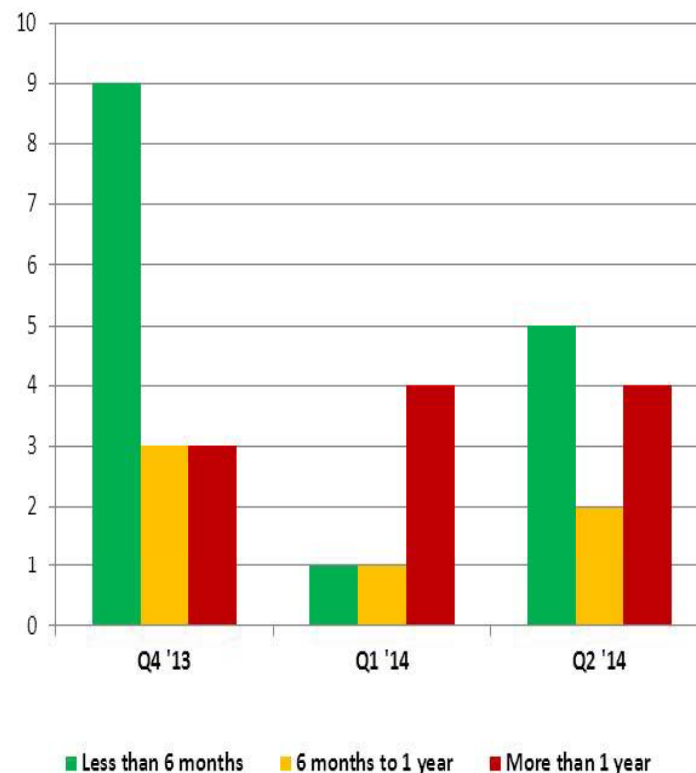
The average age of outstanding issues is 10 months.

Management's progress in the last quarter was very good but the older items, all of which have an IT dependency, will likely not be completed until the end of this year.

1. 12-CS-12: "**Commercial Deposit Reports**" – Report development and IT testing is complete. User acceptance testing currently underway. This is on track to be closed by the due date (September 30, 2014).
2. 12-ITGC-06: "**Active Directory Clean-Up Project**" – The Directory Services project is continuing to migrate application authentication to the TH Active Directory. Compensating controls remain in place to manage this low risk observation during project completion. Target date October 2014.
3. 13-CS-01: "**CC&B Reports**" – CS continue to work with IT to convert priority scripts into reports. In the meantime, compensating controls continue to exist as the running of queries is limited to few people. On track for completion by due date (December 31, 2014).
4. 13-CS-03: "**Audit Functionality in CC&B**" – Work is progressing on an alternate solution (utilizing IT) to provide data to enhance the operational quality review process. On track to be completed by due date (December 31, 2014).

**Management continues to actively monitor all outstanding audit gaps.**

## Aging of Issues\*



\* Aging as at July 31, 2014



## **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

**INTERROGATORY 44:**

**Reference(s):**        **Exhibit 4A, Tab 2, Schedule 17, pp.7-8, Appendix A**

With regards [sic] to the Applicant seeking recover of 'Wireless costs':

- a) Do these costs include both the EB-2013-0321 [sic] and EB-2011-0120 proceeding?
- b) Please provide a detailed breakdown of those costs, and a justification for the reasonableness of the quantum.
- c) Please explain why recovery of these costs is appropriate consider they were incurred entirely during the IRM period.

**RESPONSE:**

- a) The costs included are in respect of the EB-2013-0234 proceeding only (i.e., the Wireless Forbearance application).
- b) These costs are comprised of external consultant and counsel costs in relation to the preparation of evidence, OEB and intervenor discovery on that evidence, participation in discovery of other parties' evidence and a settlement conference. Toronto Hydro also made use of internal resources where possible in order to defray external costs incurred in relation to this proceeding, but none of those costs are included in the amount sought to be recovered. Please also refer to Toronto Hydro's response to interrogatory 4A-CCC-38.
- c) Toronto Hydro brought the Wireless Forbearance Application in the interest, and for the benefit, of ratepayers. The sole purpose of that application was to seek the

## **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

1        necessary approvals to allow Toronto Hydro to explore a new potential revenue  
2        stream, with the expectation that the net revenues generated would be credited to  
3        ratepayers.

4  
5        Given that the application was undertaken for the benefit of ratepayers, Toronto  
6        Hydro believes that it is appropriate to recover the associated incremental application  
7        costs through rates. If those costs are not recovered, then the utility would be forced  
8        to absorb them, which would tend to discourage similar applications in the future. As  
9        a matter of general policy, Toronto Hydro submits that utilities should be encouraged  
10       to bring applications clearly intended to benefit ratepayers by allowing cost recovery.

## RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

### INTERROGATORY 45:

**Reference(s):** Exhibit 4A, Tab 3, Schedule 1

Please provide a forecast information of 2014 Non-Affiliate Purchased Products or Services over \$1 Million Procured without a Competitive Process

### RESPONSE:

The table below provides a list of Non-Affiliate Purchased Products and Services over \$1 million that were procured without a competitive process in 2014 (January 1 to August 31).

Vendor Name	Product and Service	Method of Selection	Justification
Elster Canadian Meter	Maintenance and support for Metering Automation Server software	Sole Source	Proprietary technology required to integrate with existing Smart Meters
Tri-Phase	Soil and Building Remediation	Sole Source	Already qualified for building remediation work through competitive bid process - extended scope to include additional building.
Oracle Canada ULC	Maintenance and support Services	Sole Source	Licences and support for software only offered through Oracle

## RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

Vendor Name	Product and Service	Method of Selection	Justification
Davey Tree Experts	Vegetation Management Services	Sole Source	Competitive bid process was temporarily paused after 2013 ice storm to assess storm impacts to scope of work (due to a modified tree canopy)
Manitoba Hydro	Mutual Aid Assistance	Sole Source	Provided urgent emergency mutual aid assistance during December 2013 ice storm
Hydro One	Mutual Aid Assistance	Sole Source	Provided urgent emergency mutual aid assistance during December 2013 ice storm
Metrolinx	Installation of Civil Infrastructure at Strachan Avenue	Sole Source	Required project work in partnership with transportation provider
Toronto Transit Commission	Installation of Civil Infrastructure at Leslie Avenue	Sole Source	Required project work in partnership with transportation provider
Elster Canadian Meter	Gatekeepers and Modem Installation Kits	Sole Source	Proprietary technology required to integrate with existing Smart Meters

## **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

1 **INTERROGATORY 46:**

2 **Reference(s):** Exhibit 4A, Tab 4, Schedule 2, Appendix 2K

3

4

5 For each year, please provide the total compensation costs that are capitalized.

6

7

8 **RESPONSE:**

9 Please see table below:

	2011 Actual	2012 Actual	2013 Actual	2014 Bridge	2015 Test
<b>Total Compensation Costs Capitalized</b>	\$95.2M	\$77.7M	\$83.4M	\$83.0M	\$84.3M



## **RESPONSES TO SOCIETY OF ENERGY PROFESSIONALS INTERROGATORIES**

### **INTERROGATORY 4:**

**Reference(s):**        **Exhibit 4A, Schedule 2, OEB Appendix 2-K, “Employee Costs /  
Compensation Table”**

- a) Please breakdown all numbers for “Non-Management (union and non-union)” into non-union, CUPE represented, and Society represented.
- b) Please provide the annual Total Compensation per FTE for the categories provided in a) above as well as Management.
- c) For Total Compensation, please provide the subcategories for costs expensed and costs capitalized.
- d) Does this table include and “Temporary” staff? These would be staff who are hired on a short term basis to fill in for staff on leave of absence or to deal with temporary peaks in work etc.
  - i) If it does include temporary staff, please separate them out in the table as per a), b) and c) above.
  - ii) If it does NOT include temporary staff, please include a temporary staff category in the table as per a), b) and c) above.

### **RESPONSE:**

- a), b) and c) Please see Appendix A to this response.
- d) Yes, the table includes employees hired on contract for a defined term (i.e., “temporary staff”). Please see Appendix A to this response.

	2011 Actuals	2012 Actuals	2013 Actuals	2014 BRIDGE	2015 TEST
<b>Number of Employees (FTEs including Part-Time)<sup>1</sup></b>					
Management (including executive)	61.8	53.0	55.2	55	55
Non-Management (Non-Union)	424.8	407.2	416.4	449	457
CUPE	1,159.3	1,048.1	962.7	921	925
Society	53.4	56.8	51.0	52	50
Contract for a Defined Term <sup>1</sup>	37.6	35.8	42.1	60	77
Total	1,737.0	1,600.8	1,527.4	1,537	1,564
<b>Total Salary and Wages (including overtime and incentive pay)</b>					
Management (including executive)	\$ 11,503,925	\$ 10,484,857	\$ 10,916,952	\$ 11,357,809	\$ 11,676,362
Non-Management (Non-Union)	\$ 45,413,893	\$ 44,676,572	\$ 45,870,826	\$ 50,081,111	\$ 52,190,093
CUPE	\$ 111,838,939	\$ 96,489,851	\$ 93,579,854	\$ 91,767,199	\$ 93,499,770
Society	\$ 5,757,843	\$ 6,010,237	\$ 5,729,052	\$ 6,219,276	\$ 6,102,405
Contract for a Defined Term <sup>1</sup>	\$ 2,591,089	\$ 2,546,373	\$ 2,790,818	\$ 4,464,343	\$ 5,962,522
Total	\$ 177,105,689	\$ 160,207,891	\$ 158,887,502	\$ 163,889,738	\$ 169,431,152
<b>Total Benefits (Current + Accrued)</b>					
Management (including executive)	\$ 3,700,705	\$ 3,207,397	\$ 3,497,371	\$ 3,622,390	\$ 3,586,525
Non-Management (Non-Union)	\$ 15,180,254	\$ 15,312,116	\$ 16,894,431	\$ 18,059,014	\$ 18,087,618
CUPE	\$ 36,431,653	\$ 34,506,022	\$ 35,171,649	\$ 32,500,903	\$ 31,769,774
Society	\$ 1,966,724	\$ 2,145,710	\$ 2,128,201	\$ 2,150,794	\$ 2,024,985
Contract for a Defined Term <sup>1</sup>	\$ 192,730	\$ 194,587	\$ 238,837	\$ 341,244	\$ 397,414
Total	\$ 57,472,066	\$ 55,365,832	\$ 57,930,489	\$ 56,674,344	\$ 55,866,316
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>					
Management (including executive)	\$ 15,204,630	\$ 13,692,253	\$ 14,414,323	\$ 14,980,199	\$ 15,262,887
Non-Management (Non-Union)	\$ 60,594,147	\$ 59,988,688	\$ 62,765,258	\$ 68,140,125	\$ 70,277,712
CUPE	\$ 148,270,591	\$ 130,995,873	\$ 128,751,502	\$ 124,268,102	\$ 125,269,544
Society	\$ 7,724,567	\$ 8,155,947	\$ 7,857,254	\$ 8,370,070	\$ 8,127,390
Contract for a Defined Term <sup>1</sup>	\$ 2,783,820	\$ 2,740,961	\$ 3,029,655	\$ 4,805,587	\$ 6,359,935
Total	\$ 234,577,755	\$ 215,573,723	\$ 216,817,992	\$ 220,564,082	\$ 225,297,468
<b>Average Total Compensation (Salary, Wages, &amp; Benefits)</b>					
Management (including executive)	\$ 245,866	\$ 258,425	\$ 261,082	\$ 274,866	\$ 277,507
Non-Management (Non-Union)	\$ 142,638	\$ 147,326	\$ 150,722	\$ 151,760	\$ 153,949
CUPE	\$ 127,892	\$ 124,981	\$ 133,740	\$ 134,883	\$ 135,427
Society	\$ 144,547	\$ 143,667	\$ 154,130	\$ 162,526	\$ 162,548
Contract for a Defined Term <sup>1</sup>	\$ 74,071	\$ 76,670	\$ 71,992	\$ 79,695	\$ 82,597
Total	\$ 135,047	\$ 134,665	\$ 141,952	\$ 143,540	\$ 144,098
<b>Total Compensation Expensed</b>	\$ 139,376,030	\$ 137,907,417	\$ 133,422,085	\$ 137,588,178	\$ 140,947,660
<b>Total Compensation Capitalized</b>	\$ 95,201,725	\$ 77,666,306	\$ 83,395,907	\$ 82,975,905	\$ 84,349,808

<sup>1</sup> Contract for a Defined Term refers to "Temporary staff"

## RESPONSES TO SOCIETY OF ENERGY PROFESSIONALS INTERROGATORIES

1 **INTERROGATORY 5:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 3**

3

4

5 With regards [sic] to the staffing levels in Exhibit 4A, Tab 4, Schedule 3, page 2, Figure  
6 1, for 2007 to 2019, please provide a table for 2007 to 2019 which:

- 7 a) Breaks down the annual staffing levels by the following categories: senior  
8 management; other non-represented; CUPE represented; and Society represented.
- 9 b) Estimates the annual FTEs utilized via external contractors and any other other [sic]  
10 contracted external services such as consultants.
- 11 c) Please provide as a separate category total annual temporary staff
- 12 d) Includes the annual FTEs which are capitalized, by the categories in a), b) and c)  
13 above.
- 14
- 15

16 **RESPONSE:**

- 17 a) Please see the table below. Toronto Hydro objects, on the basis of relevance, to  
18 providing a breakdown of the information pre-2011 as this predates the utility's last /C  
19 rebasing application (EB-2010-0142), and has no probative value to deciding the  
20 issues in this Application.

	2011	2012	2013	2014	2015	2016	2017	2018	2019
SENIOR MANAGEMENT	61.8	53.0	55.2	55	55	55	55	55	55
OTHER NON-UNION	462.4	442.9	458.5	509	534	500	500	500	500
CUPE UNION	1159.3	1048.1	962.7	921	925	972	967	957	947.5
SOCIETY ENGINEERS	53.4	56.8	51.0	52	50	54	54	54	54
<b>TOTAL</b>	<b>1,737.0</b>	<b>1,600.8</b>	<b>1,527.4</b>	<b>1,537</b>	<b>1,564</b>	<b>1,581</b>	<b>1,576</b>	<b>1,566</b>	<b>1,556.5</b>

## **RESPONSES TO SOCIETY OF ENERGY PROFESSIONALS INTERROGATORIES**

1

2 b) Toronto Hydro does not track the number of resources utilized via external  
3 contractors or contracted external services on a FTE basis. In some instances, such as  
4 with respect to design/build contractors, Toronto Hydro collects information about  
5 external resources for the purpose of tracking access to its facilities and plant at a  
6 given time.

7

8 c) Please see the table below, which provides the total annual FTEs on contract for a  
9 defined term (i.e., “temporary staff”) over the 2011 to 2015 period.

<b>2011 Actuals</b>	<b>2012 Actuals</b>	<b>2013 Actuals</b>	<b>2014 Bridge</b>	<b>2015Test</b>
37.6	35.8	42.1	60	77

10 d) This information is not available, and cannot be produced within the timelines  
11 provided.

## **RESPONSES TO SOCIETY OF ENERGY PROFESSIONALS INTERROGATORIES**

### **INTERROGATORY 6:**

**Reference(s):**           **Exhibit 4A, Tab 4, “Workforce Staffing and Compensation”**

With regards [sic] to temporary staff:

- a) Please provide the basis/criteria for hiring temporary staff.
- b) Further to a), if the criteria is viewed to be cost efficiency [sic], please provide the total annual cost savings for 2007 to 2019 and the annual savings per temporary FTE.
- c) What is the average and longest duration that a temporary staffer is employed by Toronto Hydro?
- d) What is the retention strategy for temporary staff?
- e) For 2007 to 2019, please provide the number of temporary staff who are then hired as permanent staff on the Toronto Hydro payroll.
- f) Please provide the estimated annual negative impact on productivity of employing temporary staff for 2007 to 2019. This would include time required to train temporary staff (both temporary staff time and internal staff time required to train them), the “burn in” time as new temps become more skilled in their assigned work, the loss of corporate memory when they leave, etc.

### **RESPONSE:**

- a) Hiring employees on contract for a defined term (i.e., “temporary staff”) allows the utility to cost-effectively resource peak demands and maintain flexibility to support operations. The hiring criteria are specific to each role, and consider both the technical and behavioral competencies that are required to perform the job.

## RESPONSES TO SOCIETY OF ENERGY PROFESSIONALS INTERROGATORIES

- 1 b) The estimated annual savings per year and per average FTE, from 2011 to 2013, are  
2 outlined in the table below. Toronto Hydro objects, on the basis of relevance, to  
3 estimating pre-2011 cost savings, as this information predates the utility's last  
4 rebasing application (EB-2010-0142), and has no probative value to deciding the  
5 issues in this Application.

	<b>Estimated Annual Cost Savings</b>	<b>Average Per FTE on a Defined Term</b>
2011	\$ 827,733.07	\$ 22,023.94
2012	\$ 805,673.17	\$ 22,536.31
2013	\$ 971,997.14	\$ 23,096.96

- 6 c) The average duration is approximately one year and the longest duration is  
7 approximately eight years.  
8
- 9 d) There is no explicit retention strategy. However, these employees are encouraged to  
10 apply for full-time vacancies when they become available.  
11
- 12 e) The table below provides the number of temporary employees that have been hired  
13 into a full-time positions from 2011 to 2014. Toronto Hydro objects, on the basis of  
14 relevance, to providing pre-2011 information as it predates the utility's last rebasing  
15 application (EB-2010-0142) and has no probative value to deciding the issues in this  
16 Application.

<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
13	3	17	4

## **RESPONSES TO SOCIETY OF ENERGY PROFESSIONALS INTERROGATORIES**

- 1 f) Toronto Hydro's view is that the time invested in training temporary staff is offset by
- 2 the benefits that this approach provides; in particular, flexibility and cost containment
- 3 in satisfying functional requirements, and resourcing peak demands.

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

### **INTERROGATORY 31:**

**Reference(s):**           **Exhibit 4A, Tab 1, Schedule 1**

THESL notes that it “presents its Historical, Bridge and Test Year OM&A expenditures as a sum of 19 discrete programs”, but goes on to say that “OM&A plans are generally presented on a operating department or ‘Responsibility Centre’ (RC) basis”.

a) Please clarify whether THESL tracks and operates its OM&A on a program or department level? For example, does THESL have an actual “Finance Program” or a “Legal Services Program”, or is this presentation a reflection of THESL’s interpretation of the Filing Requirements?

b) Please explain the differences, if any, between THESL “programs” as presented in this application and the corresponding departments. For example, are there any identifiable differences between the functions and costs of the “Finance Program” and the functions and costs of the “Finance Department” presented in prior rate applications?

c) For all OM&A “programs” identified in Table 1, please identify the relevant department that undertakes each program.

d) Please provide the OM&A budgets mapped by operating department (Responsibility Centre), as referenced above.

### **RESPONSE:**

a) The program-based presentation of OM&A budgets reflects Toronto Hydro’s interpretation of the OEB guidance provided in Section 2.7 of the Chapter 2 of the *Filing Requirements for Electricity Distributors* (July 17, 2013) that mandates



## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 applicants to present their OM&A variance analysis on the basis of outcome-based  
2 programs. For internal purposes, Toronto Hydro tracks its OM&A expenditures at a  
3 departmental level.  
4

5 b) As explained and produced in response to part (c) below, in a number of instances  
6 Toronto Hydro's OM&A programs as presented in this application are overseen by  
7 several different departments. For example, Preventative and Predictive Maintenance  
8 program encompasses the work performed by the Engineering and Construction and  
9 Electrical Operations and Procurement divisions. In other cases (e.g., Customer  
10 Care), the program-based presentation corresponds to a single departmental budget.  
11 For a further discussion of program-based presentation of OM&A Costs, please see  
12 Toronto Hydro's responses to interrogatory 4A-CCC-30 and interrogatory 4A-  
13 OEBStaff-63.  
14

15 c) Please see Appendix A to this Schedule.  
16

17 d) Please see response to (c) above.

**Appendix A: Historical, Bridge and Test Year OM&A Expenditures by Program and Department***In millions of dollars; Rounding variances may exist.*

(\$M) Program	Department	2011 Actual	2012 Actual	2013 Actual	2014 Bridge	2015 Test
Preventative & Predictive Maintenance						
	Engineering & Construction	2.7	3.8	3.5	3.7	5.1
	Electric Operations & Procurement	11.0	12.1	9.3	12.4	14.9
Sub-total Preventative & Predictive Maintenance		13.7	16.0	12.8	16.1	20.1
Corrective Maintenance						
	Engineering & Construction	1.3	1.9	1.7	2.1	2.6
	Electric Operations & Procurement	24.5	19.6	15.3	17.0	19.6
Sub-total Corrective Maintenance		25.8	21.5	17.0	19.0	22.2
Emergency Response	Electric Operations & Procurement	13.3	13.9	26.3	16.2	15.3
Disaster Preparedness Management	Electric Operations & Procurement	0.9	0.0	-	-	2.4
Control Centre	Electric Operations & Procurement	8.4	8.3	8.9	8.2	8.4
Customer-Driven Work						
	Engineering & Construction	1.9	1.3	2.2	2.3	2.0
	Electric Operations & Procurement	4.1	4.6	4.9	5.9	8.1
Sub-total Customer-Driven Work		6.0	5.9	7.0	8.2	10.1
Planning						
	Engineering & Construction	9.0	9.0	11.5	10.2	12.6
	Electric Operations & Procurement	-	-	0.0	0.1	0.3
Sub-total Planning		9.0	9.0	11.5	10.3	12.9
Work Program Execution Management and Support	Engineering & Construction	5.0	5.5	5.6	5.8	6.1
Work Program Execution						
	Engineering & Construction	10.9	9.1	9.7	10.9	11.9
	Electric Operations & Procurement	4.0	4.7	3.4	3.3	3.2
Sub-total Work Program Execution		14.9	13.8	13.0	14.3	15.2
Fleet and Equipment Services	Electric Operations & Procurement	8.7	8.5	8.7	8.4	8.9
Facilities Management	Electric Operations & Procurement	24.6	23.5	24.2	27.2	27.5
Supply Chain Services	Electric Operations & Procurement	7.1	6.6	9.0	10.3	9.9
Customer Care	Customer Care	41.9	37.5	39.7	42.2	46.1
Human Resources and Safety	Human Resources and Safety	13.7	13.2	15.3	15.3	16.1
Finance	Finance	16.1	14.7	15.7	17.0	17.9
Information Technology	Information Technology & Risk Management	30.3	28.5	31.0	33.4	34.9
Rates and Regulatory Affairs	Regulatory Affairs and General Counsel	7.2	7.8	8.4	6.4	8.4
Legal Services	Regulatory Affairs and General Counsel	5.5	4.3	4.5	5.3	5.5
Charitable Donations (LEAP)	Customer Care	0.7	0.7	0.7	0.7	0.8
Common Costs and Adjustments	Corporate-wide	5.7	(6.0)	0.5	2.3	1.0
Allocations and Recoveries	Corporate-wide	(19.9)	(17.4)	(13.3)	(19.9)	(20.2)
Restructuring Costs	Corporate-wide	-	27.7	-	-	-
<b>Total OM&amp;A</b>		<b>238.6</b>	<b>243.5</b>	<b>246.4</b>	<b>246.6</b>	<b>269.5</b>

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 32:**

2 **Reference(s):** **Exhibit 4A, Tab 1, Schedule 2**

3

4

5 Please reproduce Appendix 2K by breaking out the “Non-management” category into  
6 “Union” and “Non-Union” sub-categories separately. In addition, please provide average  
7 per-employee values for all compensation categories (e.g. “Average Total Salary and  
8 Wages” per Management/Union/Non-Union, etc).

9

10

11 **RESPONSE:**

12 Please refer to Appendix A to this response.

	2011 Actuals	2012 Actuals	2013 Actuals	2014 BRIDGE	2015 TEST
<b>Number of Employees (FTEs including Part-Time)<sup>1</sup></b>					
Management (including executive)	61.8	53.0	55.2	55	55
Non-Management (Non-Union)	462.4	442.9	458.5	509	534
Non-Management (Union)	1,212.8	1,104.9	1,013.7	973	975
Total	1,737.0	1,600.8	1,527.4	1,537	1,564
<b>Total Salary and Wages (including overtime and incentive pay)</b>					
Management (including executive)	\$ 11,503,925	\$ 10,484,857	\$ 10,916,952	\$ 11,357,809	\$ 11,676,362
Non-Management (Non-Union)	\$ 48,004,982	\$ 47,222,946	\$ 48,661,644	\$ 54,545,454	\$ 58,152,615
Non-Management (Union)	\$ 117,596,782	\$ 102,500,089	\$ 99,308,906	\$ 97,986,475	\$ 99,602,175
Total	\$ 177,105,689	\$ 160,207,891	\$ 158,887,502	\$ 163,889,738	\$ 169,431,152
<b>Average Total Salary and Wages (including overtime and incentive pay)</b>					
Management (including executive)	\$ 186,024	\$ 197,889	\$ 197,735	\$ 208,400	\$ 212,297
Non-Management (Non-Union)	\$ 103,815	\$ 106,614	\$ 106,129	\$ 107,099	\$ 109,002
Non-Management (Union)	\$ 96,965	\$ 92,769	\$ 97,969	\$ 100,726	\$ 102,156
Total	\$ 101,959	\$ 100,079	\$ 104,025	\$ 106,659	\$ 108,367
<b>Total Benefits (Current + Accrued)</b>					
Management (including executive)	\$ 3,700,705	\$ 3,207,397	\$ 3,497,371	\$ 3,622,390	\$ 3,586,525
Non-Management (Non-Union)	\$ 15,372,984	\$ 15,506,703	\$ 17,144,667	\$ 18,400,258	\$ 18,485,032
Non-Management (Union)	\$ 38,398,376	\$ 36,651,732	\$ 37,288,451	\$ 34,651,697	\$ 33,794,760
Total	\$ 57,472,066	\$ 55,365,832	\$ 57,930,489	\$ 56,674,344	\$ 55,866,316
<b>Average Total Benefits (Current + Accrued)</b>					
Management (including executive)	\$ 59,842	\$ 60,536	\$ 63,347	\$ 66,466	\$ 65,210
Non-Management (Non-Union)	\$ 33,245	\$ 35,009	\$ 37,392	\$ 36,129	\$ 34,649
Non-Management (Union)	\$ 31,661	\$ 33,172	\$ 36,785	\$ 35,621	\$ 34,661
Total	\$ 33,086	\$ 34,586	\$ 37,927	\$ 36,883	\$ 35,732
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>					
Management (including executive)	\$ 15,204,630	\$ 13,692,253	\$ 14,414,323	\$ 14,980,199	\$ 15,262,887
Non-Management (Non-Union)	\$ 63,377,966	\$ 62,729,649	\$ 65,806,311	\$ 72,945,712	\$ 76,637,647
Non-Management (Union)	\$ 155,995,158	\$ 139,151,820	\$ 136,597,357	\$ 132,638,172	\$ 133,396,935
Total	\$ 234,577,755	\$ 215,573,723	\$ 216,817,992	\$ 220,564,082	\$ 225,297,468
<b>Average Total Compensation (Salary, Wages, &amp; Benefits)</b>					
Management (including executive)	\$ 245,866	\$ 258,425	\$ 261,082	\$ 274,866	\$ 277,507
Non-Management (Non-Union)	\$ 137,060	\$ 141,623	\$ 143,521	\$ 143,227	\$ 143,651
Non-Management (Union)	\$ 128,626	\$ 125,941	\$ 134,754	\$ 136,347	\$ 136,817
Total	\$ 135,045	\$ 134,665	\$ 141,952	\$ 143,542	\$ 144,098

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 33:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 6, page 1**

3

4

5 The THESL Compensation and Benefit Review states that “Following Towers Watson’s  
6 advice, benchmark roles – selected to reflect the wide range of positions at Toronto  
7 Hydro – were identified to support the compensation analysis. Balanced selection criteria  
8 were applied to ensure functional or level based bias did not disproportionately skew the  
9 analyses. Benchmark roles covered 66% of Toronto Hydro’s employee population (well  
10 within the range (50% - 75%) typically suggested for this type of analysis).”

11

12 Please explain why all job positions were not included in this benchmarking effort? Does  
13 the exclusion of 1/3 of positions result in material efficiency gains in the production  
14 cost/time of the Benefit Review?

15

16

17 **RESPONSE:**

18 Toronto Hydro did not include all positions in the benchmarking exercise because it was  
19 not practical or feasible to do so in light of the amount of time, effort, and cost required to  
20 benchmark all employment positions. The exclusion of 1/3 of positions allowed Toronto  
21 Hydro to incur reasonable costs and expend reasonable time and effort to produce a data  
22 set that was within the range suggested by its expert consultant, Towers Watson.

## RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES

1    **INTERROGATORY 34:**

2    **Reference(s):**            **Exhibit 4A, Tab 2, Schedule 4, Appendix A**

3

4

5    Please provide a breakout of the length of time customers were without power during the  
6    ice storm in 12 hour intervals. (i.e. # of customers without power 0-12 hours, 12-24  
7    hours, etc).

8

9

10    **RESPONSE:**

11    Please see table below:

Duration (hours)	Number of Customers Interrupted
0 - 12	80,033
12 - 24	64,886
24 - 36	49,319
36 - 48	44,633
48 - 60	29,755
60 - 72	32,688
72 - 84	11,608
84 - 96	13,727
94 - 108	6,833
108 - 120	6,585
120 - 132	858
132 - 144	4,477
144 - 156	6,031
156 - 168	9,233
168 - 180	8,859

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

<b>Duration (hours)</b>	<b>Number of Customers Interrupted</b>
180 - 192	7,266
192 - 396	4,316

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 35:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 4, Appendix A**

3

4

5 Did the experiences of the ice storm lead THESL to identify the need for any changes in  
6 maintenance policies and/or capital standards? If not, why not?

7

8

9 **RESPONSE:**

10 The findings from the Independent Review Panel Report on Toronto Hydro's response to  
11 the storm prepared by Davies Consulting (Exhibit 4A, Table 2, Schedule 4, Appendix A)  
12 were among the factors that led Toronto Hydro to propose expanded Vegetation  
13 Management activities during the filing period to improve system reliability and reduce  
14 the damage sustained during severe weather events. Toronto Hydro is also in joint  
15 discussions with the City of Toronto to address the tree canopy growth and areas of  
16 conflict with Toronto Hydro's overhead distribution system. Toronto Hydro has not yet  
17 identified any required changes to its Construction Standards due to the impact of the ice  
18 storm; there were minimal failures of any particular component of the overhead primary  
19 distribution system. The majority of the failures were caused by large tree branches  
20 falling on overhead distribution assets.



## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 36:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 4, Appendix A, page 8**

3

4

5 The Report on the December 2013 Ice Storm states that “The IRP identified 25  
6 recommendations for consideration by Toronto Hydro management”.

7

8 Please list the 25 recommendations and describe THESL’s status as to implementing any  
9 of them. Additionally, if THESL is not planning to implement any of the 25  
10 recommendations, please explain the rationale and reasoning.

11

12

13 **RESPONSE:**

14 The 25 recommendations are listed below. The recommendations are currently being  
15 reviewed, assessed and evaluated for possible implementation. As this process has not  
16 been completed, at this time Toronto Hydro is unable to identify the status of  
17 implementation and cannot identify any recommendations that it does not plan to  
18 implement.

EPP-1	Reaffirm and communicate emergency management vision and strategy throughout the Company
EPP-2	Continue to inculcate the ICS-based approach to emergency response
EPP-3	Enhance centralized emergency management group resources to support full implementation and sustainment of ICS and ongoing relationships with key stakeholders
EPP-4	Dedicated grid operations emergency management resources

## RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES

EPP-5	Update the Emergency Response Plan to improve comprehensiveness and usability
RA-1	Adopt a resource management strategy that provides for deployment of all available resources, seamless integration and coordination of crews, and optimal supervisory span of control
RA-2	Create a comprehensive, scalable logistics plan as part of the Emergency Response Plan
DAP-1	Institute a damage assessment process that defines the required approach, procedures and competencies to establish situational awareness planning inputs within the specified timeframe (e.g. Develop a process to establish (calculate) timely and accurate ETRs within 48 hrs)
DAP-2	Develop a process to establish (calculate) timely and accurate ETRs
DAP-3	Establish standard work planning processes and procedures; train and exercise response personnel to drive consistency across central and local commands
RE-1	Pre-determine best restoration approach for each level (e.g., 1-4)
RE-2	Eliminate centralized mutual assistance and contractor Local Incident Command Centres and encompass those resources within three geographic LICCs
CCC-1	Secure capacity (people and technology) to support timely customer contact during an incident
CCC-2	Improve the process for ensuring accurate and uniform outage status messages across every mode of communication to customers (e.g., IVR, web, mobile application, low tech channels)
CCC-3	Employ outbound calling/texting to inform customers of outage status and other pertinent information
CCC-4	Work with City of Toronto to evaluate options for using 311 capabilities
COS-1	Develop a process to communicate timely and accurate ETRs at different levels of specificity
COS-2	In collaboration with the City of Toronto, develop an education program to improve stakeholder literacy of: restoration process, customer responsibility and preparedness

## RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES

COS-3	Expand liaison role to address education, communication and coordination with key community stakeholders (e.g., elected leaders, public safety) during major events
COS-4	Formalize process for developing, approving and disseminating key messages
IT-1	Include IT/OT technologies that provide real or near real-time intelligence in the technology strategic roadmap
VMSH-1	Evaluate all viable options to improve distribution system resilience during major weather events, including converting lines to underground for sections of circuits where it will enhance the reliability of services to critical infrastructure and facilities
VMSH-2	Gain support from key stakeholders on the level of resilience required and related funding
TH-C1	Strengthen emergency management coordination between City of Toronto and Toronto Hydro
TH-C2	In collaboration with City of Toronto (Urban Forestry), updated related urban forestry plans to ensure adequate line clearances to withstand major events.

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 37:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 1, page 48**

3

4

5 THESL states that its “inspection cycle is moving from a ten-year cycle to an eight-year  
6 cycle, resulting in the need to execute 1,350 cable chamber inspections in 2015 as  
7 opposed to 1,100 in 2014. “Please explain the basis for the decision to increase the  
8 frequency of inspections.

9

10

11 **RESPONSE:**

12 The Kinectrics audit of Toronto Hydro’s Asset Condition Assessment (“ACA”) tool  
13 (Exhibit 2B, Section D, Appendix A) identifies cable chambers as having a 35% sample  
14 size for the purposes of calculating the Health Index (“HI”), as compared to 24% in 2012.  
15 Based on an increased sample size of approximately 11%, the overall HI of the  
16 population dropped by 8% (Very Good to Good / Fair). This represents a significant  
17 change, and a potentially significant impact on Toronto Hydro’s capital programs for the  
18 renewal of civil infrastructure; an increased sample size is important to ensure that the  
19 current HI score accurately represents the condition of the asset population.

20

21 Cable chambers have a useful life range of 50 to 80 years, with a typical life of 60 years;  
22 cable chamber roofs have a useful life range of 20 to 30 years, with a typical life of 25  
23 years (Kinectrics Report K-418021-RA-0001-R002 – Toronto Hydro-Electric System  
24 Limited Useful Life of Assets). Based on these criteria, 62% of all cable chamber roofs  
25 will reach their end of life by 2015, growing to 78% by 2019 without intervention. While  
26 age alone is not the sole determining criterion in the useful life of assets, other factors

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 (mechanical loading effects, exposure to corrosive salts, etc.) require an inspection to  
2 assess their impact. Due to their locations within public roadways, many of Toronto  
3 Hydro's cable chambers, present an immediate and significant safety hazard to the public  
4 in the event of a structural failure. The risks increase as chambers, and particularly their  
5 roofs, approach end-of-life. Inspecting these assets on a shorter cycle is expected to  
6 mitigate risks and provide Toronto Hydro a more accurate picture of the rate of  
7 deterioration of the cable chamber population by increasing the sample size of units  
8 measured in Toronto Hydro's ACA tool. This would, in turn, allow Toronto Hydro to  
9 better prioritize and plan the required capital work, while minimizing the impact on the  
10 maintenance program budget and executability.

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 38:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 1, page 61**

3

4

5 THESL states that it “maintains 850 Customer Substations”. Do customers or THESL  
6 pay for the maintenance costs of these customer-owned substations?

7

8

9 **RESPONSE:**

10 Toronto Hydro owns all primary electrical distribution equipment at the 850 Customer  
11 Substations referred to in this exhibit and pays for all associated maintenance costs. The  
12 customer owns the civil infrastructure and pays for all associated maintenance costs.  
13 Please see Exhibit 4A, Table 2, Schedule 1, page 60 for more information.

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 39:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 6, page 17**

3

4

5 THESL states that it “manages vault access and customer isolation activities by assigning  
6 them, to the degree possible, to field workers affected by injuries.” Please explain why?

7 Do customer isolation activities involve a less strenuous level of work that can be  
8 performed by “field workers affected by injuries”?

9

10

11 **RESPONSE:**

12 As discussed in pages 14 and 15 of the above-reference Exhibit 4A, Tab 5, Schedule 6,  
13 Toronto Hydro manages vault access and customer isolation activities by assigning them  
14 to field workers affected by injuries. The activities assigned to each accommodated  
15 worker are determined on a case-by-case basis in consideration of each employee’s  
16 particular circumstances and the scope of requisite tasks.

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 40:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 17**

3

4

5 Please prepare a table showing the total costs of this CIR application, broken out into its  
6 major subcategories (e.g., Legal, Consultants, Reports, etc.) that THESL is proposing to  
7 amortize over the 2015-2019 period. Please present these amounts broken out by the  
8 year in which they were incurred.

9

10

11 **RESPONSE:**

12 Please refer to Toronto Hydro's response to interrogatory 4A-CCC-38 part (b).



## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

**INTERROGATORY 41:**

**Reference(s): Exhibit 4A, Tab 2, Schedule 17, page 9 of 9**

THESL states “For the purposes of determining the Rates and Regulatory Affairs operating budget to be included in 2015 Revenue Requirement, Toronto Hydro proposes to amortize the costs incurred over the 2013-2015 period associated with the CIR application costs over the 2015-2019 rate period, as well as the costs associated with the Wireless Forbearance (Wireless) application.”

a) How are the costs of this current application and the wireless forbearance application different than any other application that THESL filed during 2011-2014 and for which it is not seeking cost recovery (e.g. 2012 COS, 2012-2014 ICM, Smart Meter Clearance, etc). That is, why is historical cost recovery requested only for these two particular applications?

b) In the absence of a deferral account, did THESL at any time in any past application apply for and/or recover any application costs incurred in historic years over the applied for test year.

c) Please explain under what authority THESL believes it to be appropriate to recover out-of period costs (i.e., the 2013 and 2014 portion of the application costs) in an application for 2015 rates (particularly in the absence of an approved deferral or variance account).

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

**RESPONSE:**

a) Toronto Hydro requests historical recovery for the CIR Application, in accordance with section 2.7.3.5 of the OEB's Filing Requirements (July 17, 2013) which states that:

The applicant must provide a breakdown of the actual and anticipated regulatory costs, including OEB cost assessments and expenses for the current application such as legal fees, consultant fees, costs awards, etc. .... In addition, the applicant must identify how such costs are to be recovered (i.e., over what period the costs are proposed to be recovered). For distributors, the recovery period would normally be the duration of the expected cost of service plus IRM term under the 4th generation option. [emphasis added]

Please refer to Toronto Hydro's response to Interrogatory 4A-SEC-44 for an explanation of why Toronto Hydro believes that it is appropriate to request cost recovery for the Wireless Forbearance Proceeding.

b) No. Please see response to part (a).

c) Please see Toronto Hydro's response to part (a)..

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1 **INTERROGATORY 42:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 17, page 9 of 9**

3

4

5 In the current application, with regard to CIR and Wireless Forebearance application  
6 costs, THESL states that “None of these costs were included in setting rates in the last  
7 2011 cost of service application, which formed the basis for distribution rates over the  
8 2011-14 period.”

9

10 However, in its 2011 rate application (EB-2010-0142, Exhibit F2, Tab 6, Schedule 1)  
11 THESL noted that “Regulatory Affairs develops THESL’s positions on defined issues,  
12 prepares regulatory filings and rate applications, and makes submissions in regulatory  
13 proceedings.”, suggesting that general application costs are included within the  
14 Regulatory Affairs budgets. In Exhibit R1, Tab 1, Schedule 30, Appendix A of the same  
15 proceeding THESL noted that “Operating costs associated with the preparation and  
16 defense of applications is comingled with the Business Unit operating budgets.”

17

18 a) Please reconcile these statements.

19 b) What level of costs for the filing and processing of applications was  
20 assumed/embedded in the Regulatory Affairs budget in THESL’s 2011 rate  
21 application?

22 c) Please scale the amount in b) above by the total percentage OM&A reduction as a  
23 result of the 2011 Settlement Agreement.

24 d) If approval for historic cost recovery is granted in this application, should the  
25 amortized amounts (i.e. the costs of the CIR and Forbearance applications) not be

## **RESPONSES TO SUSTAINABLE INFRASTRUCTURE ALLIANCE OF ONTARIO INTERROGATORIES**

1       calculated as net of any amounts currently embedded in rates (as calculated in c)  
2       above)? If not, why not?

3  
4

5       **RESPONSE:**

6       a) Toronto Hydro's position is that the Wireless Forebearance and the CIR Application  
7       costs are incremental to the costs included as part of the approved Regulatory Affairs  
8       budget in its last rebasing application (EB-2010-0142). Toronto Hydro also notes  
9       that it incurred costs over the 2012-2014 period related to its 2012 Cost of Service  
10      and 2012-14 IRM/ICM applications, among others.

11

12      b) In Exhibit R1, Tab 1, Schedule 30, Appendix A (EB-2010-0142), Toronto Hydro  
13      identified its forecast 2011 Regulatory Affairs costs as including \$359,625 in  
14      intervenor and application costs, \$195,225 in expert witness costs, \$513,750 in legal  
15      costs, and \$430,934 in consultant costs, for a total of \$1.5M.

16

17      c) Toronto Hydro's Settlement Agreement in EB-2010-0142 resulted in a reduction in  
18      OM&A of 4.8% (\$226.8M Filed vs. \$216M Approved through Settlement). Scaling  
19      the amounts in b) above by a factor of 95.2% (i.e., 100% - 4.8%) would result in an  
20      amount of \$1.4M.

21

22      d) As noted in part (a), Toronto Hydro's position is that the requested amounts are  
23      incremental to the amounts approved in the 2011 Regulatory Affairs budget.

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

1 **INTERROGATORY 36:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 1, page 13**

3

4

5 a) It states on page 13 that in 2013 there were a total of 252 incidents of overhead asset  
6 failures – excluding major day events. Please provide the equivalent figures for 2010  
7 through 2014 to-date.

8

9

10 **RESPONSE:**

11 a) Please see Table below.

<b>Year</b>	<b>Number of Overhead Asset Failure Incidents</b>
2014 (Up to October 21 <sup>st</sup> )	247
2013	252
2012	218
2011	299
2010	325

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

### **INTERROGATORY 37:**

**Reference(s):**           **Exhibit 4A, Tab 2, Schedule 1, page 34**

- a) It is unclear as to whether Table 5 represents the vegetation management budget of THESL for 2011 through 2015. If not please provide this. If there is a projected increase in the 2015 vegetation management budget from 2014 please explain this in light of the extraordinary amount of tree trimming that was done due to the 2013/14 ice-storm.
- b) In 2014 THESL renewed its tree pruning service contract at a 16% increase. Please quantify the impact this had on 2015 vegetation management. Please identify how long this contract is for. In renewing this contract explain whether the post ice-storm demand for vegetation management had an impact of the service contract.

### **RESPONSE:**

- a) Table 5 represents Toronto Hydro's Vegetation Management budget for 2011 through 2015. The increase in expenditures in 2015 is attributed to two factors: (1) an increase in market prices provided by contractors; and (2) a need to increase accomplishments to mitigate safety, system reliability and financial risks, especially during severe weather.

The forestry work that was executed in response to the 2013 ice storm can be categorized as follows: (1) removal of fallen tree limbs and branches on primary conductors, secondary buses and service wires, and (2) cutting and removal of damaged tree limbs and branches that may have broken and further impacted the

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

1       overhead distribution system. The work performed was of emergency nature and  
2       focused exclusively on the trees that sustained damage. No cycle pruning activities  
3       that comprise typical vegetation maintenance work took place as part of the ice storm  
4       response. The increase in the 2015 budget is not related to the ice storm.

5

6       b) The 16% increase to Toronto Hydro's tree trimming contract resulted in an  
7       approximate overall increase of \$0.6 million to the 2015 planned expenditures. This  
8       increase is included in the \$4.4 million (2015) budget. The duration of Toronto  
9       Hydro's Vegetation Management contract is six years.

10

11       The post-ice storm demand did not have an impact on the service contract. The  
12       competitive bidding process was commenced prior to the ice storm.

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

**INTERROGATORY 38:**

**Reference(s):**        **Exhibit 4A, Tab 2, Schedule 1, p.71**

a) THESL states that the failure rate of smart meters is 1.5%. How does this compare to the failure rate of the previous generation of conventional meters that were replaced? What is THESL's estimate of the incremental cost of smart meter maintenance as compared to the previous generation of thermal meters?

**RESPONSE:**

a) Records from prior to Toronto Hydro's smart meter program indicate that failure rates for conventional meters were below 0.5%. More recent or precise failure rates are not available as conventional meter failures were not tracked and recorded as these meters were upgraded to smart meters regardless of the status of the meter.

Smart meters are equipped with meter health detection and alarms. This enables Toronto Hydro to quickly and more accurately detect meter failures, as opposed to conventional meters which were typically only investigated if billing thresholds were surpassed or customer complaints existed. This ability to more accurately detect a meter failure will result in a higher number of failures being reported.

As a cost comparison, Toronto Hydro's average maintenance costs for conventional meters prior to the smart meter program (i.e., in years 2004 and 2005) was \$1.0 million compared to \$0.4 million for smart meters in 2015.



## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

**INTERROGATORY 39:**

**Reference(s):**           **Exhibit 4A, Tab 2, Schedule 2, page 7**

Pre-amble:

With respect to Corrective Maintenance, the evidence states:

*Historic expenditures have shown a downward trend due to an increasing emphasis in recent years on planned capital and preventative maintenance activities, particularly on distribution assets, and more efficient corrective work execution practices.*

a) Yet Table 2 shows an increase in 2015 in this category and notwithstanding the proposed major increases in the capital budget. Please explain the reason for this.

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

b) Please articulate the difference between the Emergency Response program (\$15.3 million) and the Disaster Preparedness Management Program (\$2.4 million).

**RESPONSE:**

a) The increase in corrective maintenance spending in 2015 is primarily attributed to the inclusion of \$1.6 million for corrective maintenance of assets that were formerly part of the street lighting system. More information is found on page 8 of Exhibit 4A, Table 2, Schedule 2, which states:

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

1 “Despite the above, reduction in expenditures to the level experienced in 2013 are  
2 not sustainable in the short term. As described in the Preventative & Predictive  
3 Maintenance program, Toronto Hydro continues to identify a large number of  
4 deficiencies on both distribution and stations assets. Furthermore, significant  
5 proportions of these assets have surpassed their expected lives and are at an  
6 increasing risk of failure. As a result of this combination of factors, Toronto  
7 Hydro is forecasting that corrective expenditures will exceed 2013 levels in 2014  
8 and 2015.

9  
10 Corrective Maintenance expenditures are well below the levels experienced in  
11 2011 and 2012.”  
12

- 13 b) The Emergency Response program funds the utility’s emergency response activities  
14 related to addressing unplanned events involving Toronto Hydro’s distribution system  
15 assets. Response coverage is provided on a 24-hour, 7 days a week, 365 days a year  
16 basis. Activities include the planning, communication, coordination, and execution of  
17 work to address system emergencies. Emergency response is required for a wide  
18 variety of reasons including but not limited to equipment failure, severe weather,  
19 power quality issues, motor vehicle accidents, dig-ins, equipment isolations and  
20 Toronto Emergency Services needs (police, fire and ambulance).

21  
22 The Disaster Preparedness Management (“DPM”) program supports Toronto Hydro’s  
23 Emergency Response program by enhancing the planning, communication and  
24 coordination of work prior to, during and after major events, across the utility and in  
25 relation to customers and key stakeholders. A key focus of the DPM program is  
26 ensuring that the utility can operate safely, efficiently and effectively for an extended

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

1       period of time under conditions of major duress, To accomplish this objective, the  
2       program entails a range of planning, training and simulation exercise activities, along  
3       with negotiation of Mutual Aid Agreements with utilities with similar service areas. .  
4       Please refer to Exhibit 4A, Table 2, Schedules 3 to 4 for more information about these  
5       programs.

## RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

1    **INTERROGATORY 40:**

2    **Reference(s):**            **Exhibit 4A, Tab 2, Schedule 14, pages 38-43**

3

4

5    a) Please provide the training and conference budgets for THESL for the years 2011  
6       through 2015 in the following format:

- 7       • Technical/engineering training;
- 8       • Other training;
- 9       • Executive /senior management training/conferences & travel

10

11

12    **RESPONSE:**

13    Please see table the below:

Category (\$M)	2011 Actual	2012 Actual	2013 Actual	2014 Bridge	2015 Test
Technical/Engineering Training	0.23	0.07	0.12	0.21	0.25
Other Training	0.99	1.09	1.21	1.12	1.12
Executive /Senior management training/conferences & travel	0.01	0.04	0.17	0.04	0.04
<b>Total</b>	<b>1.23</b>	<b>1.19</b>	<b>1.49</b>	<b>1.36</b>	<b>1.40</b>

## RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

1    **INTERROGATORY 41:**

2    **Reference(s):**            **Exhibit 4A**

3

4

5    a) Please provide the EDA membership fees paid or forecast to be paid by THESL for  
6       2011 through 2015. Please provide separately other corporate memberships.

7    b) Does THESL procure insurance through the MEARIE Group? If yes please provide  
8       the premiums paid for 2011 through 2015 (forecast). Were all property liability  
9       insurance services provided for through a tender or other competitive process or were  
10      they sole sourced?

11

12

13    **RESPONSE:**

14    a) Please see the table below:

	2011 Actual	2012 Actual	2013 Actual	2014 Bridge	2015 Test
<b>EDA</b>	\$0.11M	\$0.11M	\$0.14M	\$0.13M	\$0.13M
<b>CEA</b>	\$0.07M	\$0.07M	\$0.08M	\$0.08M	\$0.08M

15    b) The Mearie Group provides Life Insurance benefits to Toronto Hydro employees. A  
16      summary of annual amounts paid to the Mearie Group is provided below:

	2011 Actual	2012 Actual	2013 Actual	2014 Bridge	2015 Test
Mearie	\$2.9M	\$3.1M	\$3.0M	\$2.0M	\$2.0M

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

1 All Toronto Hydro's property insurance brokerage services are currently provided by  
2 Willis Canada Inc. ("Willis"), whose contract has been awarded following an RFP  
3 process. Willis provides and prepares insurance renewal submissions and negotiates  
4 the terms of subsequent coverage agreements on behalf of the utility.

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

**INTERROGATORY 42:**

**Reference(s):**        **Exhibit 4A, Tab 2, Schedule 6, page 2**

- a) Table 2 shows “Damage prevention” rising from \$1.6 million in 2013 to a forecast of \$4.7 million in 2015. The accompanying explanations (beginning on page 7) describes how the sub-costs for this category (cable locates) have increased from 2011 to 2013. However, the overall costs for this category actually decreased from 2011 to 2013. That is, the reasons provided do not appear to support the increase from 2013 to 2015. Please explain why these costs are more than doubling between 2013 and 2014.
- b) Please provide the actual amounts spent on Damage Prevention as of the end of 3<sup>rd</sup> quarter of 2014.

**RESPONSE:**

- a) As described in Exhibit 4A, Tab 2, Schedule 6, pages 8-9, Toronto Hydro realized significant cost efficiencies from 2011 to 2013 through initiatives such as contracting out all locates and the execution of Alternate Locate Agreements. Although Toronto Hydro is continuously looking for efficiencies, it does not expect further cost efficiencies in 2014 and 2015 in the Damage Prevention segment. Due to this factor, and for reasons that include the following information, Damage Prevention costs are expected to more than double between 2013 (i.e., \$1.6 million actual expenditure) and 2015 (i.e., \$4.7 million forecast):

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

- 1        i) \$1.7 million is attributed to locate requests related to assets that were formerly  
2            part of the City of Toronto's street lighting system (Exhibit 4A, Tab 2, Schedule  
3            6, page 12);
- 4        ii) \$0.3 million is attributed to a one-time credit that was provided by a third party  
5            locate provider in 2013 that is not expected to re-occur (Exhibit 4A, Tab 2,  
6            Schedule 6, page 11);
- 7        iii) \$0.5 million is attributed to higher levels of locate requests than historically seen  
8            due to increased awareness of Ontario One Call (Exhibit 4 A, Tab 2, Schedule 6,  
9            page 12); and
- 10       iv) \$0.3 million for incremental overhead line cover oversight and damage prevention  
11           claim investigations.
- 13
- 14       b) Toronto Hydro is unable to provide actual amounts spent on Damage Prevention as of  
15           the end of 3<sup>rd</sup> quarter of 2014 as finalized amounts were not available at the time that  
16           this interrogatory response was prepared. As of the end of the 2<sup>nd</sup> quarter, the actual  
17           amounts totalled \$1.3 million.



## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

**INTERROGATORY 43:**

**Reference(s):**           **Exhibit 4A, Tab 2, Schedule 8, p .9**

- a) Table 3 shows both the total capital expenditures for 2011 through 2015 and the Preventative and Predictive Maintenance OM&A budgets for the same period. The accompanying evidence appears draw a relationship between the increase in the OM&A budgets and the accompanying increase in the capital budgets. Is THESL suggesting there a positive correlation – that is an increase in capital budgets is associated with an increase in OM&A (in this or any other OM&A category)?
- b) If yes please explain why. Specifically, please address the question as to why renewal of assets does not lead to lower preventative OM&A (and other) budgets. Please also explain what capital related activities directly related to capital expenditures cannot be capitalized.
- c) Table 3 appears to show that OM&A is in fact inversely related to capital budgets. That is, it shows an increase in preventative maintenance in 2012 when the capital budget declined significantly. Please comment.
- d) Please provide Table 3 so as to show the same categories for 2008 through 2011.

**RESPONSE:**

- a) The intent of Table 3 referenced in the Interrogatory is solely to show that the OM&A expenditures of the Work Execution Management and Support program, are directionally aligned to the size of the combined Capital and Maintenance expenditures, while the ratio remains consistent in the low 1% range. Toronto Hydro

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

1 did not intend to convey any information regarding the correlation between capital  
2 and maintenance programs.

3  
4 b) As stated above, the table referenced in sub (a) was not intended to suggest the  
5 existence of any correlation between capital and preventative and predictive  
6 maintenance programs. For further discussion regarding the relationship between  
7 Capital and OM&A spending, please refer to the response to Interrogatory 2B-EP-24.

8  
9 c) Exhibit 4A, Tab 2, Schedule 1, page 3 explains the increases and decreases in the  
10 Preventative & Predictive Maintenance Program during the historical period. For  
11 example, the increases in 2012 over 2011 are attributed to increases in the Overhead  
12 Switch Maintenance, Below-Grade Equipment Maintenance, and Customer Location  
13 Maintenance segments. Work that occurs in these segments is not directly related to  
14 a general reduction in the capital program in a given year.

15  
16 d) The table below provides the requested capital and maintenance expenditures in  
17 2008-2011. Toronto Hydro is unable to provide the requested historical expenditures  
18 for the Work Execution Management and Support program for the referenced period  
19 due to insufficient granularity in the historical data.

	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>
Total Capital Expenditures	\$205.7M	\$241.7M	\$381.1M	\$445.5M
Preventative & Predictive Maintenance	\$9.9M	\$11.4M	\$14.2M	\$13.7M

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

**INTERROGATORY 44:**

**Reference(s):**        **Exhibit 4A, Tab 2, Schedule 13, page 3**

- a) Please provide an estimate of the increase/decrease in billing, collection and customer care costs if THESL were to move all customers to monthly billing.
- b) Please explain what offset in working capital might be expected.
- c) If THESL has not previously undertaken any study of this issue please provide the best estimate and a general or directional explanation.

**RESPONSE:**

- a) Costs are projected to increase incrementally over the current operating budget by a total amount of approximately \$6.1 million. This can be further categorized as an increase in the costs of Billing of \$4.3 million, costs of Collections of \$0.9 million and costs of Customer Care of \$0.9 million. In addition, one-time costs to facilitate the transition are forecasted to be \$3.0 million in capital costs and \$2.2 million in operating expenditures.
- b) Toronto Hydro estimates the offset in working capital in the amount of approximately \$1.9 million.
- c) Please see the response to Interrogatory 4A-CCC-34.

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

**INTERROGATORY 45:**

**Reference(s):** Exhibit 4A, Tab 2, Schedule 13, page 27

a) Please explain the rationale for “Communications and Public Affairs” as a ratepayer as opposed to shareholder cost.

**RESPONSE:**

The Communications and Public Affairs costs have historically been in Toronto Hydro’s and other utilities rate recoverable costs, and should continue to be recovered through rates. The Communications and Public affairs segment performs a number of crucial functions that allow the utility to:

- Keep customers informed and engaged (directly and through mass media) on the scope of planned and ongoing work performed by the utility, changes to customer bills stemming from OEB and other decisions, range of services offered by the utility, and important information pertaining to service outages and estimated restoration times.
- Address the emerging and ongoing concerns of customer groups and other stakeholders whose plans and/or interests may be affected by Toronto Hydro’s activities.
- Maintain a productive relationship with the City of Toronto on matters affecting both parties’ planned and ongoing operating activities.
- Provide assistance to Toronto Hydro’s most vulnerable customers.

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

- 1 The above-noted examples and other activities performed under the Communications and
- 2 Public Affairs reflect the “Customer Service” pillar of Toronto Hydro’s Corporate
- 3 Strategy (see Exhibit 1C, Tab 3, Schedule 1) and are in alignment with the OEB’s
- 4 Customer Focus outcome under the renewed Regulatory Framework for Electricity
- 5 (RRFE). Based on the above considerations, Toronto Hydro submits that the
- 6 expenditures associated with this segment continue to be an appropriate ratepayer cost.

## RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

1 **INTERROGATORY 46:**

2 **Reference(s):** **Exhibit 4A, Tab 2, Schedule 17, Appendix A**

3 **Exhibit 4A, Tab 2, Schedule 18, pages 1-4**

4

5 a) Please reconcile the one-time regulatory costs of \$3,543,366 shown in Appendix 2-M  
6 with \$3,193,366 in one-time costs related to the CIR application (shown in the table  
7 below)

8 b) Please provide a breakdown on the legal fees of \$1,726,047 by type of activity (e.g.,  
9 hearing, pre-application, etc.).

10 c) How many practicing lawyers does THESL currently employ?

11

12 **RESPONSE:**

13 a) Amounts shown for 2015 on lines 5 and 6 of the top table in Appendix 2-M include  
14 forecast legal and consulting amounts which are not included as direct one-time CIR  
15 related costs in the lower table.

16

17 b) Please refer to the table below for the requested breakdown:

Type of Activity	Cost
<b>Main Application</b>	
Pre-Application	\$454,000
Post-Filing + Oral Hearing	\$620,000
Post Hearing	\$153,000
<b>ICM True-UP</b>	
Pre-Application	\$160,000
Post-Filing + Oral Hearing	\$269,000
Post-Hearing	\$70,000
Total	\$1,726,000

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

- 1 c) Toronto Hydro currently employs two practicing regulatory lawyers.

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

### **INTERROGATORY 47:**

**Reference(s):**        **Exhibit 4A, Tab 1, Schedule 1, page 4**

a) Please revise/update Table 1: (Historical,Bridge, Test Year OM&A by Program) to show in new columns

- 2014 3<sup>rd</sup> quarter actuals;
- remaining quarter forecast spend.
- 2013 3<sup>rd</sup> quarter results
- any flow through update to 2015 OM&A costs

### **RESPONSE:**

a) As noted in Exhibit 4A, Tab 1, Schedule 1, page 2, adopting a program-based approach as per the OEB's July 2013 update of Chapter 2 Filing Requirements entails a transition period for the utility. Toronto Hydro notes that its work in developing a meaningful program/Segment OM&A presentation involved a significant amount of assumptions and complex analytic work (discussed further in the response to interrogatory 4A-OEBStaff-43), given that Toronto Hydro's internal OM&A tracking procedures do not fully lend themselves to the approach contemplated by the OEB.

It is for this reason that Toronto Hydro's quarterly actuals (2013 and 2014) are not readily available in the requested Table 1 format. The table below represents a best-effort basis to produce the requested information using Toronto Hydro's departmental expenditure structure. For further details on the mapping of departments to programs, please refer to the response to Interrogatory 4A-SIA-31 part c. Moreover, Toronto



## RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES

1 Hydro is not currently in a position to provide Q3 results for 2013, as audited figures  
2 are not presently available. Accordingly, Toronto Hydro is providing 2014 YTD  
3 results up to the end of Q2. To enable consistent past year comparison, 2013 Q2 data  
4 are provided instead of the requested Q3 results, along with the year-end 2014 Bridge  
5 forecast.

6

7 **Table 1 – 2Q OM&A by Division (\$M)**

Toronto Hydro Department	2013 2nd Quarter Actuals	2014 2nd Quarter Actuals	2014 Bridge
Engineering & Construction	17.4	17.2	35.1
Electric Operations	32.7	33.8	63.0
Fleet and Equipment Services	4.4	5.5	8.4
Facilities Management	12.4	14.2	27.2
Supply Chain Services	4.5	5.4	10.3
Customer Care	19.2	20.9	42.2
Human Resources and Safety	8.0	7.8	15.3
Finance	6.6	8.6	17.0
Information Technology	16.0	15.6	33.4
Rates and Regulatory Affairs	4.0	3.5	6.4
Legal Services	4.2	3.0	5.3
Charitable Donations (LEAP)	0.3	0.3	0.7
Common Costs and Adjustments	0.0	1.0	2.3
Allocations and Recoveries	(11.6)	(11.5)	(19.9)
<b>Total OM&amp;A</b>	<b>118.2</b>	<b>125.4</b>	<b>246.6</b>

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

1     **NOTES:**

2     The table above uses assumptions to arrive at the 3Q 2013 and 3Q 2014 OM&A. The  
3     OEB does not require that Toronto Hydro publish quarterly actuals, annual RRR  
4     reconciliations are provided as per the guidelines. Therefore, this quarterly view is  
5     purely prepared on a best-effort basis using assumptions to derive OM&A which is  
6     different than the published Financial Statement OPEX reported externally. Further,  
7     the format above is based on Toronto Hydro's internal departmental view, not the  
8     program view as this view is again not available by quarter at this time.

## **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION INTERROGATORIES**

1 **INTERROGATORY 48:**

2 **Reference(s):** **Exhibit 4A, Tab 4, Schedule 2, Appendix 2-K**

3 **Exhibit 4A, Tab 4, Schedule 5, page 1**

4

5

6 a) Please update Appendix 2-K and Table 1 (Overtime and Incentive Pay) to show  
7 separately: Union and non-union, Management and Executive (VP and above).

8

9

10 **RESPONSE:**

11 Please refer to Appendix A to this response.

	2011 Actuals	2012 Actuals	2013 Actuals	2014 BRIDGE	2015 TEST
<b>Number of Employees (FTEs including Part-Time)<sup>1</sup></b>					
Executive	9.2	7.4	8.0	6.3	6.0
Management (excluding Executive)	52.7	45.6	47.2	48.2	49.0
Non-Management (Non-Union)	462.4	442.9	458.5	509.3	533.5
Non-Management (Union)	1,212.8	1,104.9	1,013.7	972.8	975.0
Total	1,737.0	1,600.8	1,527.4	1,536.6	1,563.5
<b>Total Salary and Wages (including overtime and incentive pay)</b>					
Executive	\$ 2,840,668	\$ 2,554,144	\$ 2,661,984	\$ 2,469,509	\$ 2,424,089
Management (excluding Executive)	\$ 8,663,257	\$ 7,930,713	\$ 8,254,968	\$ 8,888,300	\$ 9,252,273
Non-Management (Non-Union)	\$ 48,004,982	\$ 47,222,946	\$ 48,661,644	\$ 54,545,454	\$ 58,152,615
Non-Management (Union)	\$ 117,596,782	\$ 102,500,089	\$ 99,308,906	\$ 97,986,475	\$ 99,602,175
Total	\$ 177,105,689	\$ 160,207,891	\$ 158,887,502	\$ 163,889,738	\$ 169,431,152
<b>Total Benefits (Current + Accrued)</b>					
Executive	\$ 972,941	\$ 719,048	\$ 752,393	\$ 700,663	\$ 651,611
Management (excluding Executive)	\$ 2,727,764	\$ 2,488,349	\$ 2,744,978	\$ 2,921,727	\$ 2,934,914
Non-Management (Non-Union)	\$ 15,372,984	\$ 15,506,703	\$ 17,144,667	\$ 18,400,258	\$ 18,485,032
Non-Management (Union)	\$ 38,398,376	\$ 36,651,732	\$ 37,288,451	\$ 34,651,697	\$ 33,794,760
Total	\$ 57,472,066	\$ 55,365,832	\$ 57,930,489	\$ 56,674,344	\$ 55,866,316
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>					
Executive	\$ 3,813,609	\$ 3,273,192	\$ 3,414,377	\$ 3,170,172	\$ 3,075,700
Management (excluding Executive)	\$ 11,391,021	\$ 10,419,062	\$ 10,999,947	\$ 11,810,027	\$ 12,187,187
Non-Management (Non-Union)	\$ 63,377,966	\$ 62,729,649	\$ 65,806,311	\$ 72,945,712	\$ 76,637,647
Non-Management (Union)	\$ 155,995,158	\$ 139,151,820	\$ 136,597,357	\$ 132,638,172	\$ 133,396,935
Total	\$ 234,577,755	\$ 215,573,723	\$ 216,817,992	\$ 220,564,082	\$ 225,297,468