



September 2, 2014

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

Dear Ms. Walli:

**Re: Z-Factor Application for Recovery of December 2013 Ice Storm Related Restoration
Costs – Responses to Board Staff Interrogatories
Halton Hills Hydro Inc.,
OEB Proceeding: EB-2014-0211**

Halton Hills Hydro Inc. ("HHHI") hereby submitted its response to Board Staff Interrogatories in relation to HHHI's Z-Factor Application to the Ontario Energy Board ("the Board") for recovery of restoration costs related to the December 2013 Ice Storm.

A copy of the response has also been electronically mailed to the Board Secretary.

In the event of any additional information, questions or concerns, please contact David Smelsky, Chief Financial Officer, at dsmelsky@haltonhillshydro.com or (519) 853-3700 extension 208, or Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, at tracyr@haltonhillshydro.com or (519) 853-3700 extension 257.

Sincerely,

(Original Signed)

Arthur A. Skidmore, CPA, CMA
President & CEO

Cc: David J. Smelsky, CPA, CMA, CFO, HHHI
Interested Parties in proceeding EB-2014-0211
Richard King, Counsel, HHHI

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Halton Hills Hydro Inc. (“HHHI”)
2014 Z-factor Application
EB-2014-0211
Response to Board Staff Interrogatories

Certification of Evidence

Ref: Filing Requirements for Electricity Distribution Rate Applications, Chapter 1, Page 2

Board staff notes that Halton Hills Hydro has not provided a Certification of Evidence with its application. The Board’s Filing Requirements state that:

Applications filed with the Board must be certified by a senior officer of the applicant that the evidence filed is accurate, consistent and complete to the best of his/her knowledge.

- a. Please provide a Certification of Evidence consistent with the Filing Requirements.

Response:

- a. Please see Appendix IRR-A for the Certification of Evidence.

Audited Costs

Board staff was unable to establish whether Halton Hills Hydro's costs comprising the Z-factor claim have been audited.

- a. Please indicate whether the costs contained within the application have been audited.
- b. If not, please indicate when audited costs will be available.

Response:

- a. Costs incurred plus estimated accruals to December 31, 2013, have been audited as part of HHHI's 2013 year-end. Uniform System of Accounts (USoA) 1572 – Extraordinary Event Costs – Ice Storm 2013 for costs and accruals as at December 31, 2013 was \$1,712,395.
- b. Not applicable.

Accounting Standard

Ref: Board's letter dated July 17, 2012

Halton Hills Hydro has not specified the accounting standard (CGAAP, modified IFRS, etc.) under which its Z-factor application has been filed.

- a. Please provide the accounting standard under which Halton Hills Hydro's Z-factor application has been filed.
- b. Please confirm whether or not Halton Hills Hydro's Z-factor application is reflective of the capitalization policy changes as per the Board's letter "Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies in 2012 and 2013" dated July 17, 2012.

Response:

- a. HHHI's Z-factor application has been filed under Modified International Financial Reporting Standards.
- b. HHHI's Z-factor application is reflective of the referenced capitalization policy changes.

Capital Costs

Ref: Appendix C, Damage to Our System

Ref: Application, Section 4

Board staff notes that Halton Hills Hydro has not included any capital or material costs for recovery in its Z-factor application, although Appendix C provides a list of system assets damaged by the storm, which includes poles, transformers, etc.

- a. Please explain how Halton Hills Hydro proposes to recover any capital or material costs incurred as a result of the ice storm.
- b. Please explain the extent of the damage of the assets with respect to the usability, remaining useful life and salvage value of the assets.
- c. Please indicate Halton Hills Hydro's accounting treatment for these damaged assets (e.g. impairment loss).
- d. Please quantify any loss recorded on the assets.

Response:

- a. HHHI proposes to recover capital or material costs as follows:
 - i. Capital Costs – HHHI incurred minimal capital infrastructure damage. Any capital costs incurred were capitalized in the normal course of business.
 - ii. Material Costs – Material costs related to the ice storm restoration were expensed as the material is normally carried on the trucks for maintenance purposes to replace broken or damaged equipment in the field such as blown fuses, arresters, sleeves for connecting conductor, pole top pins for holding insulators, etc.
- b. The damaged assets were fully depreciated and no further accounting treatment was required.
- c. Please refer to b. above.
- d. Not applicable.

Insurance

Ref: Introduction, s. 1.5

Halton Hills Hydro states that there is “no insurance coverage available on commercially reasonable terms” to offset the costs of restoration.

- a. Did Halton Hills Hydro investigate the possibility of reimbursement through its current property insurance? Was any reimbursement for damage available through current coverage?
- b. Please provide a copy of any communication received from Halton Hills Hydro’s insurance provider regarding potential reimbursement for ice storm damage.

Response:

- a. HHHI, in common with Local Distribution Companies in Ontario, does not insure its distribution plant and therefore there is no possibility of reimbursement through insurance.
- b. Please see HHHI’s response to a. There is no communication to be received from HHHI’s insurance provider regarding potential reimbursement for ice storm damage as there is no insurance.

Applicable Time Frame and Effective Date

Ref: Introduction, s. 1.2

Ref: Introduction, s. 1.3

Ref: Prudence, s. 3.15

Ref: Summary of Costs, s. 4.4

Ref: Appendix C, Operations Impact

Board staff notes that Halton Hills Hydro's application is based on costs which appear to have been incurred up to December 31, 2013, with carrying charges applied to October 31, 2014. The proposed effective date for cost recovery is November 1, 2014 to October 1, 2016. Board staff further notes that the last crew release date in s.3.15, Table 2 is January 2, 2014, and that Appendix C indicates that 2014 capital work continued to be on hold for further cleanup.

- a. Please provide the total time period to which the requested cost recovery applies.
- b. Please indicate if the ice storm cleanup referenced in Appendix C is included in this application.
- c. If ice storm cleanup has been included in the application, please provide details of these costs.
- d. Please provide Halton Hills Hydro's rationale for an effective date of November 1, 2014, rather than an effective date of May 1, 2015, consistent with its next change to customers' rates.

Response:

- a. Cost recovery charges are up to March 31, 2014.
- b. Yes, ice storm tree trimming clean-up referenced in Appendix C is included in the application.
- c. Tree trimming clean-up (incremental costs) to March 31, 2014 is \$40,100.
- d. HHHI's rationale for the November 1, 2014 effective date was to align with the November 1, 2014 Regulated Price Plan (RPP) rate change. HHHI sees no reason to further delay cost recovery. Costs should be recovered from customers who were served during the time

period when the costs were incurred. Pushing cost recovery out later will put costs on other (new) customers and allow customers of HHHI in 2013 to avoid paying for costs incurred on their behalf.

Scope of System Damage

Ref: Introduction: s. 1.1, 3.15

Halton Hills Hydro states that it distributes electricity to 21,522 metered customers. The summary of restoration numbers provided at s. 3.15 indicates that as of December 21, 11:00 p.m., 100% of its customers were without power, up from over 50% in the prior hour. As of December 22, power had been restored to 12,022 customers, or 56%.

- a. What parts of the system were repaired such that power could be restored to 56% of customers the following day? For instance, was any of the outage as at December 21, 2013 a result of transmission failure, or did the damage occur to Halton Hills Hydro's distribution system only?
- b. If transmission system restoration was required, how many of Halton Hills Hydro's customers had their power restored as a result of transmission repairs only?
- c. If service interruption to any customer was due to damage to equipment maintained by another regulated entity, please indicate the peak number of customers without power due to damage to Halton Hills' distribution system alone.

Response:

- a. The outages were not a result of transmission system failure. After innumerable reports of lines down, broken trees on HHHI's distribution lines and feeder outages, HHHI was forced to isolate and open all substation feeders to ensure public and worker safety. Crews then worked outwards from each distribution substation as per Section 7 of HHHI's Emergency Preparedness Plan:

"HHHI will attempt to restore power to as many customers as possible, in the shortest amount of time through sectionalizing and switching the distribution system. It is possible that the restoration of the outage source will not be the first action taken."

Following this approach always results in the greatest gains in customer restorations to occur in the first hours/days following a complete system outage.

- b. Not applicable.
- c. Not applicable.

Incremental Internal Labour Costs

Ref: Manager's Summary: s. 4.1, 4.2, 4.3

Halton Hills Hydro states that it is applying for recovery of internal staff overtime pay and meal allowances in accordance with its Collective Agreement.

- a. Please provide a breakdown of all Halton Hills Hydro's internal labour costs applicable to the affected period using the following format:

Department	Number of Eligible Employees	Regular Hours Worked	Total Regular Time Payments	Overtime Hours Worked	Total Overtime Payments
Management					
Other Non-Union Employees					
Subtotal Non-Union					
Union Employees:					
Operations					
Other					
Subtotal Union					
Total Internal Labour for Affected Period					
Total Z-factor Labour Costs					

- b. Please provide a copy of Halton Hills Hydro's policy for payment of overtime for non-union employees to support the amounts shown above, if applicable.
- c. Please identify any deviations from Halton Hills Hydro's normal approach to overtime payment during the affected period.

- d. Please provide the average shift length for internal crews involved in storm cleanup during the affected period and explain how this differs from Halton Hills Hydro's normal scheduling practice.
- e. Please provide a copy of the applicable collective agreement(s) for internal staff deployed during the affected period.

Response:

- a. Please see Table IRR1.

Table IRR1 - Break down of Internal Labour Costs

Department	Number of Eligible Employees	Regular Hours Worked	Total Regular Time Payments	Overtime Hours Worked	Total Overtime Payments
Management	12	840	\$ 49,044	639	\$ 70,973
Other Non-Union Employees	-	-		-	\$ -
Subtotal Non-Union	12	840	\$ 49,044	639	\$ 70,973
Union Employees:					
Operations	16	1,280	\$ 38,925	1,789	\$ 126,209
Other	18	1,310	\$ 73,835	867	\$ 48,159
Subtotal Union	34	2,590	\$ 112,759	2,656	\$ 174,368
Total Internal Labour for Affected Period	46	3,430	\$ 161,803		\$ -
Total Z-factor Labour Costs				3,295	\$ 245,341

- b. HHHI does not have a written policy for payment of overtime for non-union employees in support of the amounts shown in Table IRR1. The decision to pay overtime to non-union employees due to the significant disaster was made by the President and Chief Executive Officer and the Board of Directors.
- c. There were no deviations to HHHI's normal approach to union overtime payment. Non-union staff typically accrue overtime as lieu and/or flex time to be taken at a future date. Due to the extent of this event, non-union staff were paid as approved by the President and Chief Executive Officer and the Board of Directors.
- d. The average shift length for internal crews involved in storm restoration was rotating sixteen (16) hours. HHHI's normal scheduling practice was replaced with the policy shown in the Emergency Preparedness Plan at the time a disaster was declared.
- e. The collective agreement for all HHHI unionized staff is shown in Appendix IRR-B.

Call Centre Staffing

Ref: Appendix C, Call Centre

Board staff notes that the hours of operation shown for the Call Centre during the affected period show a start time of 8:30 and end times which vary between 1:00 p.m. and 10:00 p.m. Board staff further notes that the information provided in the Appendix does not begin until December 23, two days after power outages began.

- a. Please explain the variation in operating hours as shown in the table referenced above in Appendix C.
- b. Please provide a list of Halton Hills Hydro's normal hours of operation that would be applicable for the period from December 21 to December 31.
- c. Please provide normal staffing levels that would be applicable for the Call Centre for the period from December 21 to December 31.
- d. Please provide Call Centre staffing detail from December 21 to December 31, 2013, using the table below:

Date	Number Deployed	Regular Hours	Overtime Hours
December 21, 2013			
December 22, 2013			
Etc.			

Response:

- a. The call centre statistics are based on HHHI staff answering phone calls in the office. The operating hours of the HHHI call centre were determined based on call volume. HHHI's after- hours call centre accepted all overflow calls.

b. HHHI's normal Call Centre hours of operation for the period are:

Saturday	Dec-21	closed
Sunday	Dec-22	closed
Monday	Dec-23	8:30am to 4:30pm
Tuesday	Dec-24	8:30am to 12:00pm
Wednesday	Dec-25	closed
Thursday	Dec-26	closed
Friday	Dec-27	closed
Saturday	Dec-28	closed
Sunday	Dec-29	closed
Monday	Dec-30	closed
Tuesday	Dec-31	closed

- c. The normal staffing levels for the call centre would be four (4) staff answering calls on December 23 and 24. HHHI has a Christmas shut-down period between Christmas Eve and New Year's Day.
- d. The actual call centre staffing details are shown in Table IRR2. The numbers include both union and non-union personnel.

Table IRR2 – Call Centre Staffing Details

Date	Number Deployed	Regular Hours	Overtime Hours
21-Dec-13	0	-	-
22-Dec-13	0	-	-
23-Dec-13	14	98.00	49.00
24-Dec-13	14	49.00	68.75
25-Dec-13	7	-	44.50
26-Dec-13	12	-	93.00
27-Dec-13	11	77.00	19.50
28-Dec-13	10	-	87.50
29-Dec-13	5	-	28.25
30-Dec-13	6	42.00	2.00
31-Dec-13	8	-	47.00

External Contractors

Ref: Prudence, s. 3.14

Board staff notes that Halton Hills Hydro relied partially on support from external contractors in the restoration effort, and that this approach was consistent with its Emergency Preparedness Plan.

- a. Please provide a copy of Halton Hills Hydro's Emergency Preparedness Plan.
- b. Please provide information supporting the choices made with respect to the procurement of external contractors shown in Table 2.
- c. Were external contractors retained in a manner consistent with Halton Hills Hydro's procurement policies? If not, please provide the rationale supporting procurement.
- d. For each external contractor, please provide a breakdown of invoiced costs in the format shown below:

Contractor	Total Labour Charges	Accommodation Charges	Meal Charges	Fuel Charges	Truck Charges	Other Charges ¹	Total Invoice
Contractor #1 (name)							
Contractor #2 (name)							
... etc.							
Total							

- e. Please clarify if the invoiced costs from the external contractors are based on regular labour rates or premium rates, given the timing of the engagement, its urgency, or the amount of notice provided to suppliers.

Response:

- a. A redacted copy (for privacy) of HHHI's Emergency Preparedness Plan is shown in Appendix IRR-C.
- b. Quality Tree, SouthWestern Energy and Westmore were contractors already working for HHHI and were familiar with the distribution system and territory. These contractors were asked on December 20, 2014, when the Environment Canada re-issued the freezing rain warning indicating further increase to the severity, to be available should they be needed. The three (3) contractors assured HHHI that they could and would provide assistance. These contractors began working between December 21, 2014 and December 22, 2014. HHHI proceeded to contact LDCs and qualified tree contractors in an effort to seek additional resources.
- c. HHHI's Emergency Preparedness Plan superscedes HHHI's Purchasing Policy. External contractors were retained in a manner consistent with Appendix A of HHHI's Emergency Preparedness Plan.
- d. Please see Table IRR3.

Table IRR3 – Detailed External Contractor Costs

Contractor	Total Labour Charges	Accommodation Charges	Meal Charges	Fuel Charges	Truck Charges	Other Charges [1]	Total Invoice	[1] Please describe any other applicable charges
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Asplundh	167,130	5,301	5,040	-	-	-	177,471	Administration
Dundas Power	101,180	4,816	-	-	24,712	6,535	137,243	
SouthWestern Energy	47,519	-	-	-	1,960	-	49,479	
Westmore	138,567	-	-	-	23,060	-	161,627	
Quality Tree Service	93,688	-	-	-	-	-	93,688	
Horizon Contracts Management	14,850	-	-	-	-	-	14,850	
Super Sucker	16,950	-	-	-	-	-	16,950	
Davey Tree	69,522	-	-	-	-	-	69,522	
Snowjak's Snow Removal	1,850	-	-	-	-	-	1,850	
Totals	425,677	10,117	5,040	-	49,732	6,535	497,102	

- e. HHHI confirms that the invoiced costs from the external contractors are based on a combination of regular labour rates and premium labour rates.

Local LDCs

Ref: Prudence, s. 3.14

Board staff notes that Halton Hills Hydro relied partially on support from nearby LDCs in the restoration effort, and that this approach was consistent with its Emergency Preparedness Plan.

- a. Does Halton Hills Hydro have a group of utilities with which it regularly cooperates? If so, which utilities are included in this group?
- b. Does Halton Hills Hydro have an agreement with neighbouring utilities regarding the provision of services in emergencies? If so, please provide a copy of the agreement. If a copy of the agreement is not available, please describe any standard arrangements in place with local LDCs regarding payment for service in emergencies.
- c. For each participating LDC, please provide a breakdown of invoiced costs in the format shown below:

LDC Name	Total Labour Charges	Accommodation Charges	Meal Charges	Fuel Charges	Truck Charges	Other Charges ²	Total Invoice
LDC #1 (name)							
LDC #2 (name)							
... etc.							
Total							

- d. Please clarify if the invoiced costs from the LDCs are based on regular labour rates or premium rates, given the timing of the engagement, its urgency, or the amount of notice provided to suppliers.

Response:

- a. HHHI has a group of utilities with which it regularly cooperates. Those utilities are part of “GridSmart City” whose partners include:

- Burlington Hydro Inc.
- Cambridge and North-Dumfries Hydro Inc.
- Guelph Hydro Electric Systems Inc.
- Kingston Hydro
- Kitchener Wilmot Hydro
- Milton Hydro
- Niagara Peninsula Hydro
- Oakville Hydro
- Waterloo North Hydro Inc.

As many of the GridSmart City partners were also affected by the ice storm, additional calls were made to LDCs in other parts of Ontario.

- b. HHHI did not have official agreements with other LDCs. It is industry practice to honour the contributing LDC’s collective agreement.
- c. See Table IRR4.

Table IRR4 – Detailed Costs-Assisting LDCs

Contractor	Total Labour Charges	Accommodation Charges	Meal Charges	Fuel Charges	Truck Charges	Other Charges [1]	Total Invoice	[1] Please describe any other applicable charges
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Bluewater Power	79,367	-	-	-	-	-	79,367	
Guelph Hydro	12,394	-	-	-	2,729	8,579	23,702	Materials
Kitchener-Wilmot	24,650	-	443	353	-	7,523	32,970	2 x75kva transformer
London Hydro	52,430	-	-	-	16,452	3,360	72,243	Material and Other Expenses
Welland Hydro	23,486	-	-	-	6,251	351	30,087	Inventory
Woodstock Hydro	3,708	-	-	-	698	-	4,406	
Westario Power Inc.	32,410	-	321	-	-	-	32,731	
Waterloo North Hydro Inc.	25,374	-	-	-	5,003	290	30,667	Material
Oakville Hydro	48,836	-	-	-	5,651	4,419	58,906	Materials
Hydro One	108,918	-	-	-	12,409	22,140	143,467	Sundry & Corporate Overhead
Brantford Power	11,666	-	-	-	-	1,523	13,189	Material
Totals	423,239	-	764	353	49,193	48,186	521,736	

- d. HHHI confirms that the invoiced costs from LDCs are based on a combination of regular labour rates and premium labour rates.

Cost Recovery Options

Ref: Appendix C, Cost Recovery Options

Halton Hills Hydro's application is supported by photographs, media articles, a letter from Environment Canada and a presentation by the President and CEO. Board staff notes that the presentation outlines two alternatives considered for cost recovery: partnering with the town for Ontario Disaster Relief Funding and applying to the Board for Z-factor funding. The presentation indicates that the recommended option was to apply for Z-factor funding.

- a. Please provide the date of the presentation and its audience.
- b. Was this Z-factor application approved by Halton Hills Hydro's Board of Directors?
- c. If the audience for the presentation included Halton Hills' Board of Directors, please indicate if the decision to apply for Z-factor funding was based on the material provided in the presentation. If not, please provide a copy of any further briefing material provided to the Board of Directors to support this decision.
- d. Were there any other cost recovery options available to Halton Hills Hydro? If so, what were they?
- e. Please explain why the presentation does not contain any discussion of the option to obtain Ontario Disaster Relief Funding, or any other cost recovery options.
- f. Please describe the process to obtain Ontario Disaster Relief Funding and the potential funding available.
- g. Please describe the steps taken by Halton Hills Hydro to partner with the town and to investigate this cost recovery option.
- h. Did the Town pursue the option of Ontario Disaster Relief Funding on its own?
- i. Please explain why Halton Hills Hydro recommended Z-factor funding, rather than any other option considered.

Response:

- a. The Presentation was made to the Town of Halton Hills Council on Monday, January 27, 2014. The council meeting was open to the public and was videotaped and replayed on local stations.
- b. The Board of Directors' approved the cost recovery by Z-Factor application.
- c. The decision to apply for the Z-factor was not based on the presentation made to the Council for the Town of Halton Hills.
- d. No.
- e. At the time of the council presentation, research indicated that Local Distribution Companies would not qualify for Ontario Disaster Relief Funding.
- f. Please refer to answer e. above.
- g. Cost recovery from the Ontario Disaster Relief Fund was only available for municipal corporations.
- h. Yes.
- i. The Z-Factor application was the only remaining option for HHHI to address this extraordinary event.

Cost Recovery Options

Ref: EB-2011-0271, Exhibit 4, Tab 2, Schedule 1, page 2

The above referenced exhibit describes the departmental and corporate OM&A activities normally undertaken by Halton Hills Hydro and included within Halton Hills Hydro's OM&A budget for the 2012 test year, which underpins Halton Hills Hydro's rates for the test year and ensuing IRM period.

One of these activities is Emergency Maintenance, described in the evidence as follows:

Emergency Maintenance includes unexpected system repairs to the electrical system that must be addressed immediately. The costs include those related to repairs caused by storm damage, emergency tree trimming and labour.

- a. Please provide the amount included in Halton Hills Hydro's 2012 OM&A expense that relates to Emergency Maintenance.
- b. Please provide Halton Hills Hydro's actual Emergency Maintenance expenditures for the period from 2008 to 2012 and calculate a 5 year average.
- c. Please provide 2013 actual Emergency Maintenance expense, excluding the ice storm damage claimed in this application.
- d. Please indicate what, if any, of the Emergency Maintenance budget was applied to the ice storm recovery costs.

Response:

- a. The amount included in HHHI's 2012 OM&A expense that relates to Emergency Maintenance is \$123,766.
- b. Please see Table IRR5.

Table IRR5 – Emergency Maintenance Expenditures

	2008	2009	2010	2011	2012	5 year Average
Actual Emergency Maintenance expenditures	\$ 88,563	\$ 113,050	\$ 116,165	\$ 125,070	\$ 123,766	\$ 113,323

- c. The 2013 actual Emergency Maintenance expense, excluding the ice storm damage claimed in this application, is \$168,911.

- d. The Emergency Maintenance budget was exhausted by September 2013 as a result of normal amounts of emergency maintenance in addition to another ice storm in April 2013 and a wind storm in July 2013. Therefore, no Emergency Maintenance budget costs were applied to the ice storm recovery costs.

Rate of Return

Ref: Board Letter of March 2, 2012: Cost of Capital Parameter Updates for 2012 Cost of Service Applications

Ref: Board Letter of March 7, 2008: Cost of Capital Parameter Updates for 2008 Cost of Service Applications

Board staff notes that Halton Hills Hydro has reported achieved regulatory ROE as follows:

	Board-Approved ROE	Achieved ROE (reported)
2011	8.57%	13.00%
2012	9.12%	9.54%
2013	9.12%	14.05%

- a. Please confirm that Halton Hills Hydro's reported achieved regulatory ROE for 2011, 2012 and 2013 was higher than the Board-approved ROE in each of those years.
- b. If so, please explain Halton Hills Hydro's reasons for seeking the recovery of the entire Z-factor claim through this application, and whether any amount could and should be borne by Halton Hills Hydro, given the level of its reported achieved return on equity in 2011, 2012 and 2013.

Response:

- a. HHHI revised achieved ROE are reported in Table IRR6.

Table IRR6 – HHHI Reported ROE

	2011	2012	2013
Reported ROE	9.14%	13.30%	14.97%

The 2013 Regulated net income includes a "One-Time" tax refund of \$977,797 relating to:

2010	\$ 37,523
2011	\$ 99,580
2012	\$840,694

The tax refunds are a result of accelerating certain expenses for tax purposes; the offset being the recognition of lower CCA in the future. This tax planning approach is a 'Timing Issue' – the current benefit, will be offset by future tax liability.

- b. HHHI submits that any amount of the entire Z-Factor claim should not be borne by HHHI given the level of its return on equity. In section 3 of HHHI's application, HHHI has clearly demonstrated it has satisfied the three Z-Factor eligibility criteria. Achieved level of ROE is not a criteria factor.

Cost recovery of valid Z-factor costs are not contingent on other unrelated factors (i.e. whether LDC has earned more or less than anticipated).

The shareholder's continued investment in an LDC is based on the risk/reward of LDC ownership. The established regulatory regime places extraordinary risk of Z-factor events on ratepayers. Actual ROE versus Board approved ROE varies with many factors, however, Z-factor events are excluded.

The ROE in 2013 is significant due to tax savings, for which there are future liabilities. It is inappropriate to take any profits in 2013 and apply to a Z-factor event. The issues are wholly unrelated.

Shareholder Contributions

Ref: EB-2011-0271, Exhibit 1, Tab 1, Schedule 13

Board staff notes that Halton Hills Hydro provided the following description of its corporate entities relationship in its last cost of service application as follows:

HHHI is 100% owned by its holding company Halton Hills Community Energy Corporation ("HHCEC"). HHCEC is 100% owned by The Corporation of the Town of Halton Hills.

- a. Is Halton Hills Hydro's shareholder making any contribution to the restoration cost?
 - i. If not, why not?
 - ii. If so, please provide details.

Response:

- a. HHHI's shareholder is Halton Hills Community Energy Corporation which is 100% owned by the Town of Halton Hills. The Town of Halton Hills is not making any contribution to the restoration costs.
 - i. HHHI is a private corporation incorporated under the *Ontario Business Corporation Act, 1990* in accordance with Section 142 of the *Electricity Act, 1998* and as such there is no obligation or liability on the part of the Shareholder to make payments to HHHI for the restoration costs of the ice storm. Please refer to HHHI's response to Board Staff Rate of Return part b. for additional information.
 - ii. Not applicable.

Allocation of Recovery Costs

Ref: Z-Factor Rate Rider, s. 5.1

Ref: EB-2007-0514/0595/0571/0551 Decision

Ref: EB-2011-0186 Decision and Order

Board staff notes that Halton Hills Hydro proposes to recover the ice storm Z-factor costs by way of a fixed rate rider across all customer classes based on its approved 2012 base revenue requirement allocations. Board staff further notes that in the Board's Decision on The Combined Proceeding on Storm Damage Cost Claims (EB-2007-0514/0595/0571/0551)³ and the Board's Decision on Niagara-on-the-Lake Hydro Inc.'s wind storm damage Z-factor claim (EB-2011-0186)⁴, the Board ruled that approved costs shall be allocated to the classes on the basis of distribution revenue and using the last Board-approved fixed-variable split.

- a. Please provide Halton Hills Hydro's rationale for proposing to recover the ice storm Z-factor costs by way of a fixed rate rider, rather than through fixed and variable rate riders.
- b. Please provide Halton Hills Hydro's views on the merits of allocating approved costs to all customer classes on the basis of distribution revenue regardless of the variance in costs incurred to restore service.
- c. Please calculate fixed and variable rate riders as described by allocating Halton Hills Hydro's proposed recovery amount of \$1,561,372 to all customer classes, using approved distribution revenue allocations and the last Board approved fixed-variable split for the following collection periods:
 - i. 2 years;
 - ii. 18 months; and
 - iii. 1 year.

Response:

- a. HHHI's rationale for proposing to recover the ice storm Z-factor costs by way of a fixed rate rider, rather than through fixed and variable rate riders is as follows:
-

- i. Fixed only rate rider – the costs associated with the restoration of power were not dependent on customer’s energy consumption or demand and therefore recovery of costs should also not be dependent on consumption or demand.
- b. The distribution revenue values used in the fixed rate rider calculation already assume cost allocators by class thus already adjusting the calculation for expected variances in costs to restore service.
- c. The calculated fixed and variable rate riders as described by allocating HHHI’s proposed recovery amount of \$1,561,372 to all customer classes, using approved distribution revenue allocations and the last Board approved fixed-variable split for the recovery timeframes requested are as follows:
 - i. 2 years – See Table IRR7.
 - ii. 18 months – See Table IRR8.
 - iii. 1 year – See Table IRR9.

Table IRR7 – Two Year Fixed-Variable Recovery

Customer Class	Base Revenue Requirement	Revenue Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Gross Distribution Revenue
Residential	\$ 956,319	61.25%	\$ 1.11	\$ 0.0017	\$260,048	\$ 696,271	\$ 956,319
General Service less than 50 kW	\$ 179,533	11.50%	\$ 2.40	\$ 0.0012	\$ 48,778	\$ 130,755	\$ 179,533
General Service 50 to 999 kW	\$ 216,083	13.84%	\$ 6.76	\$ 0.3074	\$ 14,267	\$ 201,816	\$ 216,083
General Service 1,000 to 4,999 kW	\$ 139,959	8.96%	\$ 173.31	\$ 0.1937	\$ 26,118	\$ 113,841	\$ 139,959
Sentinel Lighting	\$ 4,559	0.29%	\$ 0.44	\$ 2.2436	\$ 927	\$ 3,632	\$ 4,559
Street Lighting	\$ 61,792	3.96%	\$ 0.19	\$ 3.2864	\$ 10,394	\$ 51,397	\$ 61,792
Un-metered Scattered Load	\$ 3,127	0.20%	\$ 0.59	\$ 0.0011	\$ 1,237	\$ 1,890	\$ 3,127
TOTAL	1,561,372	100%			\$361,769	\$1,199,603	\$ 1,561,372

Table IRR8 – Eighteen Month Fixed-Variable Recovery

Customer Class	Base Revenue Requirement	Revenue Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Gross Distribution Revenue
Residential	\$ 956,319	61.25%	\$ 1.48	\$ 0.0019	\$346,730	\$ 609,589	\$ 956,319
General Service less than 50 kW	\$ 179,533	11.50%	\$ 3.20	\$ 0.0014	\$ 65,037	\$ 114,496	\$ 179,533
General Service 50 to 999 kW	\$ 216,083	13.84%	\$ 9.01	\$ 0.4002	\$ 19,023	\$ 197,060	\$ 216,083
General Service 1,000 to 4,999 kW	\$ 139,959	8.96%	\$ 173.31	\$ 0.2582	\$ 26,118	\$ 113,841	\$ 139,959
Sentinel Lighting	\$ 4,559	0.29%	\$ 0.59	\$ 2.7371	\$ 1,236	\$ 3,324	\$ 4,559
Street Lighting	\$ 61,792	3.96%	\$ 0.26	\$ 4.0865	\$ 13,859	\$ 47,932	\$ 61,792
Un-metered Scattered Load	\$ 3,127	0.20%	\$ 0.78	\$ 0.0012	\$ 1,649	\$ 1,478	\$ 3,127
TOTAL	1,561,372	100%			\$473,653	\$1,087,719	\$ 1,561,372

Table IRR9 – One Year Fixed-Variable Recovery

Customer Class	Base Revenue Requirement	Revenue Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Gross Distribution Revenue
Residential	\$ 956,319	61.25%	\$ 2.22	\$ 0.0021	\$520,095	\$ 436,224	\$ 956,319
General Service less than 50 kW	\$ 179,533	11.50%	\$ 4.80	\$ 0.0015	\$ 97,556	\$ 81,977	\$ 179,533
General Service 50 to 999 kW	\$ 216,083	13.84%	\$ 13.52	\$ 0.5713	\$ 28,535	\$ 187,548	\$ 216,083
General Service 1,000 to 4,999 kW	\$ 139,959	8.96%	\$ 173.31	\$ 0.3873	\$ 26,118	\$ 113,841	\$ 139,959
Sentinel Lighting	\$ 4,559	0.29%	\$ 0.88	\$ 3.3424	\$ 1,854	\$ 2,706	\$ 4,559
Street Lighting	\$ 61,792	3.96%	\$ 0.39	\$ 5.2436	\$ 20,789	\$ 41,003	\$ 61,792
Un-metered Scattered Load	\$ 3,127	0.20%	\$ 1.18	\$ 0.0008	\$ 2,474	\$ 654	\$ 3,127
TOTAL	1,561,372	100%			\$697,420	\$ 863,952	\$ 1,561,372

APPENDIX IRR-A

CERTIFICATION OF EVIDENCE

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ONTARIO ENERGY BOARD

HALTON HILLS HYDRO INC.

ED-2002-0552

APPLICATION FOR APPROVAL OF A Z-FACTOR RATE RIDER FOR RECOVERY OF

ICE STORM RELATED RESTORATION COSTS

CERTIFICATION OF EVIDENCE

I, David J. Smelsky, Chief Financial Officer for Halton Hills Hydro Inc., hereby certifies that the evidence filed in Halton Hills Hydro Inc.'s Application for approval of a Z-Factor Rate Rider for recovery of ice storm related restoration costs is accurate, consistent and complete to the best of my knowledge and has been filed in accordance with Section 2.6 of the Board's Report on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors issued July 14, 2008 and Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications, Section 3.2.2, issued July 17, 2013.

David J. Smelsky, CMA, CPA
Chief Financial Officer
September 2, 2014

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APPENDIX IRR-B

COLLECTIVE AGREEMENT FOR ALL HHHI UNIONIZED STAFF

(Intentionally blank)



Collective Agreement

between

Halton Hills Hydro Inc.

and

Power Workers` Union
CUPE Local 1000

Effective April 1, 2013 until March 31, 2016

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COLLECTIVE AGREEMENT

between

HALTON HILLS HYDRO INC.
Hereinafter referred to as the "LDC"

and

POWER WORKERS' UNION-CUPE LOCAL 1000
Hereinafter referred to as the "Union"

ARTICLE 01 – PREAMBLE AND PURPOSE

- 1.01 The general purpose of the Agreement is to maintain mutually satisfactory relations between the LDC and its employees. To provide orderly collective bargaining relations and to secure prompt and equitable disposition of complaints, with a view to maintaining mutually satisfactory hours, wages, working conditions, and efficient operation of the LDC's plant; under methods which will promote to the fullest possible extent, economy of operation, quality and effort, cleanliness of plant and protection of property, elimination of waste and safety to the employees. Both parties recognize a duty to cooperate in good faith, individually and collectively, for the advancement of these purposes.
- 1.02 Whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if plural, feminine or masculine has been used where the context of the party or parties hereto so required.

ARTICLE 02 – RECOGNITION

- 2.01 The LDC recognizes the Union as the exclusive bargaining agent for negotiating wages, working conditions and hours of work on behalf of the Employees of the LDC as defined below:-

"All employees of Halton Hills Hydro Inc. save and except the President, Vice-President, Chief Financial Officer, Executive Assistant, Managers, non-working Foreman, Supervisors, summer students, co-op students and office staff employed for less than twenty-four (24) hours per week, constitute a unit of Employees appropriate for collective bargaining."

ARTICLE 03 – GOODWILL

- 3.01 The LDC agrees that it will not, in any manner, object to any employee being or becoming a member of the Union, and will not discriminate against such employee because of membership in said Union.

ARTICLE 04 – MANAGEMENT’S RIGHTS

- 4.01 Except as otherwise provided in this Agreement, nothing contained in this Agreement shall be deemed to limit the LDC in any way in the exercise of the regular and customary functions of Management. The Union recognizes the right of the LDC to operate and manage its business in all respects, in accordance with its commitments and responsibilities, to direct its work force including, but without restricting the generality of the foregoing, the right to hire, classify, transfer, promote, layoff and determine employee competence, the right to discipline, suspend, demote and discharge; to make and alter reasonable rules and regulations to be observed by employees provided that such rules and regulations shall not be inconsistent with the terms of this Agreement. The Union shall retain its right to grieve in case it feels Management has acted without just cause.

ARTICLE 05 – UNION SECURITY AND DUES REMITTANCE

- 5.01 The parties hereto mutually agree that current Union members shall maintain their membership and, that any new employee of the LDC defined in Article 2 will become a member in the Union.
- 5.02 In order that the LDC may have definite instructions as to what amounts are to be deducted for Union purposes, it is agreed that the Union shall promptly notify the LDC, in writing, of deductions to be made by the LDC for Union dues and, the LDC shall have the right to continue to rely on such written notification from the Union.
- 5.03 The LDC will deduct weekly from the wages of unionized employees, union dues as certified by the Union. The LDC will remit monies deducted, together with a list showing the names of the employees and amount deducted, to the Financial Officer, not later than the fifteenth (15th) day of the month, following the end of the month after the deductions.

In consideration of this deduction and forwarding service by Management, the Union agrees to indemnify Management for any liability arising from the deduction and forwarding of these weekly dues.

ARTICLE 06 – SENIORITY

- 6.01 Seniority shall be defined as the length of continuous service an employee has established with the LDC from the most recent date the employee entered the employ of the LDC.
- 6.02 A current seniority list shall be posted in January and July of each calendar year, and a copy will be provided to each steward.
- 6.03 A regular employee shall not be laid off as a result of the contracting out of bargaining unit work.
- 6.04 An employee shall lose his/her seniority and shall cease to be an employee of the LDC if he/she:
- a) terminates voluntarily,
 - b) is discharged and not reinstated,
 - c) is laid off for a period exceeding twelve (12) calendar months,

- d) fails to report to work after a layoff within five (5) working days of recall, notice of which has been mailed, by registered mail, to the last address the employee has reported to Management,
 - e) is absent from work for five (5) or more working days without permission, unless the employee provides the LDC with documented evidence of unavoidable reasons for not reporting to work,
 - f) is absent from work because of illness or injury and is unable to return to work. In no case shall this period of time exceed twenty-four (24) months,
 - g) retires.
- 6.05 For a period of time not to exceed eighteen (18) months from the first day of illness or injury, the employee shall be eligible to return to the same job if capable of performing the required work. If unable to perform the required work, the employee shall be given initial consideration for any available job for which the employee is able and qualified to perform.
- 6.06 From the fifteenth (15th) month of and including the twenty-fourth (24th) month, the employee shall be given initial full consideration for any available job for which the employee is able and qualified to perform.
- 6.07 An employee shall have their seniority frozen if he/she is on any authorized absence, without pay, for a period exceeding thirty (30) calendar days.

ARTICLE 07 – EMPLOYEE CATEGORIES

- 7.01 a) Temporary employees will not be employed as temporary employees for more than six (6) months in any twelve (12) consecutive month period. Temporary employees who are retained beyond a six (6) month period will be re-classified to regular status. The exception to this is where there is a requirement to replace an employee who is on leave of absence as defined in Article 16.06 (including extension of such leave). A temporary employee may be extended up to twelve (12) months, in the event of an employee absence due to long-term illness. These temporary employees who are retained beyond the twelve month period will be reclassified to regular status.
- 7.01 b) Probationary employees are persons hired on trial to determine their suitability for continuing employment in regular positions. An employee shall be considered probationary for a period of six (6) calendar months. Having proven satisfactory by the end of this period, he/she will be credited with LDC service for the probationary period.
- 7.02 Temporary and probationary employees will not have recourse to the grievance procedure in cases of termination.
- 7.03 Probationary employees taken on staff will receive payment for recognized holidays during the period of their employment to that date and will also be permitted to accumulate allowable sick pay credits from date of employment, but will be excluded from MEARIE benefits during the probationary period.

- 7.04 Regular employees are persons who have satisfactorily served the probationary period. Classification as a regular employee does not imply an LDC obligation to provide continuous employment.

ARTICLE 08 – LOCKOUT OR STRIKES

- 8.01 The LDC agrees that it will not cause or direct a lockout of its employees from the execution date of this Agreement to the termination date thereof.
- 8.02 The Union agrees its members will not sanction or call a strike and shall refrain from any interruption of, or interference with, the operations of the LDC, from the execution date of this Agreement to the termination thereof.
- 8.03 Prior to assigning work where employees may encounter picket lines, the employer shall consult with the local PWU union representative. Time will be permitted for the union representative to communicate to the striking union, reasons why the picket lines might be crossed.

ARTICLE 09 – GRIEVANCE PROCEDURE

- 9.0 Any employee, who has been subjected to unfair treatment under the provisions of this Agreement, shall receive the right to seek redress according to Article 9, Grievance Procedure.
- 9.01 For the purpose of this Agreement, a dispute, claim or complaint which involves the interpretation or application of this Agreement, shall be considered to be fit matter for grievance and shall be dealt with, as specified.

The time limits for the processing of grievances shall be observed strictly by the parties, except in the case of mutual agreement to alter the time limits. All written notices referred to in this procedure shall include a statement of the following: -

- a) the grievance,
 - b) the part of the Agreement that is involved and,
 - c) the redress sought.
- 9.02 Grievances affecting more than one (1) employee or, any grievance brought forward by the LDC or the Union, or where difficulties arise between the LDC and the Union concerning the interpretation or general application of the Agreement which may be considered as a policy matter, shall be submitted in writing by either party within ten (10) working days of the alleged occurrence and shall be dealt with in the manner provided in the grievance procedure commencing at Step 3.
- 9.03 It is the intention of the parties that the filing of policy grievances by the Union shall not be used to bypass the normal grievance procedure and will commence at Step 3.
- 9.04 a) As an alternative to Arbitration the parties may, by mutual agreement, agree to refer a grievance to a Mediator/Arbitrator as a means of settlement. The Mediator/Arbitrator shall be

mutually agreed to by the parties and each party shall pay one half (1/2) of the expenses and remuneration of the Mediator/Arbitrator.

9.04 b)

STEP 1

Grievance shall first be presented by the grievor accompanied by the steward, if the grievor so desires, to the Supervisor immediately concerned. At this step, the grievance may be presented verbally or in writing, and must be presented within ten (10) working days of the occurrence that has given rise to the grievance.

STEP 2

Within four (4) working days of presentation of a written grievance notice, the Supervisor will discuss the matter with the Union steward. Failing settlement within four (4) working days of the discussion, the Union will be allowed four (4) working days in which to provide written notice to the President of a desire to proceed to Step 3.

STEP 3

Within four (4) working days of presentation of a written grievance notice, the President will discuss the matter with the Union Grievance Committee. Failing settlement within ten (10) working days of the discussion, the Union Grievance Committee will be allowed ten (10) working days to present written notice to the President of a desire to submit the matter to arbitration pursuant to the appropriate section of The Labour Relations Act of Ontario, and advising the name of its' nominee.

- 9.05 An international representative and/or a representative of Power Workers' Union CUPE Local 1000 may be present at any or all steps of the grievance or arbitration procedures to assist the local union.
- 9.06 No Board of Arbitration shall have the power to alter or change any of the provisions of this Agreement or, to substitute any new provision for any existing provision, or to provide a decision that is inconsistent with any term or provision of this Agreement.
- 9.07 Any decision rendered by an Arbitration Board may be based on consideration of all pertinent clauses in the Agreement.
- 9.08 Each party of this Agreement will bear the expenses and fee of its Arbitrator and the parties will share equally, the expenses and fee of the Chairman. The decision of a majority of the arbitrators will be accepted as final and binding on both parties.
- 9.09 Unless otherwise agreed to, after a letter(s) of reprimand has been on an employee's file for a maximum of two (2) years, and there have been no further occurrences, then the letter(s) of reprimand will be removed from all files.

ARTICLE 10.0 – WORKING HOURS

- 10.01 a) A normal working week for the A-1 employees is one of forty (40) hours; Monday to Friday inclusive. Hours of work shall be from 07:30 to 16:00 with one half (1/2) hour for lunch. Lunch to be eaten on the job site or other agreed upon location.
- 10.01 b) A normal working week for the A-2 is one of thirty-five (35) hours, Monday to Friday inclusive. Hours of work shall be from 08:30 to 16:00 hours with one half (1/2) hour for lunch or from 08:30 to 16:30 hours with one (1) hour for lunch, as approved by the LDC.
- 10.01 c) Effective October 2nd, 2006 a normal working week for the A-3 is one of thirty-seven and one half (37.5) hours Monday to Friday inclusive. Hours of work shall be 08:00 to 16:00 hours with one-half (1/2) hour for lunch.
- 10.02 The foregoing definition of working hours shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week.

OVERTIME

- 10.03 Double time shall be paid for all work performed after the normal working hours.

MEALS

- 10.04 1) The LDC shall not require an employee to carry or provide more than one (1) meal on a day when work is performed.
- 2) If an employee is required to work overtime prior, one (1) hour or more, to his/her normal start time, and such overtime continues until the normal starting time, the LDC will pay the cost of the employee's meal or provide payment in lieu in the amount of \$11.00, effective April 1, 2014 \$12.00 and effective April 1, 2015 \$13.00.
- 3) If an employee is required to continue working beyond a normal day, the LDC will provide the employee's meal or provide payment in lieu in the amount of \$11.00, effective April 1, 2014 \$12.00 and effective April 1, 2015 \$13.00 after two (2) hours or more and every four (4) hours thereafter, while the employee continues working.
- 4) In the conditions outlined in 2 and 3 above, where practical, the LDC will allow the employee time to secure the meal and eat it, and where necessary, provide transportation for this purpose.
- 5) When employees are required to work scheduled overtime, on a non-normal working day, employees will be entitled to a meal provision of \$11.00, effective April 1, 2014 \$12.00 and effective April 1, 2015 \$13.00 after eight (8) hours of work and every four (4) hours thereafter.

ON-CALL DUTY

- 10.05 a) On-call shall be defined as duties performed by qualified employees falling within the bargaining unit, outside of normal hours of work, Friday to Friday. Employees performing on-call duties shall receive \$195.00 and, \$205.00 effective April 1, 2014 and \$215.00 effective April 1, 2015.
- b) On recognized holidays, the employee on call shall receive \$45.00, plus pay at the appropriate rate for the duration of the contract.
- c) On-call duties will normally be assigned to two (2) lines persons.

MINIMUM CALL-OUT

- 10.06 a) A minimum call-out of two (2) hours at the appropriate overtime rate shall be paid to employees who are called out to perform work. All call-outs within the two (2) hours shall be considered as one (1) call.
- b) Minimum call-out pay will not be paid where the work involved is an extension of the normal work hours, or when the call-out is within one (1) hour of the normal starting time. Payment for such work will be at the appropriate overtime rate.

ARTICLE 11 – RECOGNIZED HOLIDAYS

- 11.01 Employees of the LDC will be entitled to payment of regular rate of pay for the following holidays, provided they have worked the full scheduled shifts which immediately precede and follow such holidays; unless the employee is absent because of:

- a) personal illness,
- b) any bereavement entitlement,
- c) any approved leave of absence.

- 11.02 Recognized holidays are as follows: -

- | | |
|---|-----------------------|
| - Good Friday | - Easter Monday |
| - Victoria Day | - Dominion Day |
| - Civic Holiday | - Labour Day |
| - Thanksgiving Day | - One (1) floater day |
| - Half of the last working day before Christmas Day | - Family Day |
| - Christmas Day | - Boxing Day |
| - Full working day before New Years Day | - New Years Day |

- 11.03 Should any of the holidays outlined above, fall on a Saturday or Sunday, the preceding or following working day shall be observed, by all staff, as the holiday as designated by Management by October 31 of the preceding year.

ARTICLE 12 – VACATIONS

- 12.01 An employee having less than one (1) year of service in the current year shall be allowed a vacation credit of one (1) working day per month of service to a maximum of two (2) weeks vacation with pay.

An employee having one (1) year or more of continuous service in the current year will be entitled to two (2) weeks vacation with pay.

An employee will be entitled to three (3) weeks vacation with pay in the year in which three (3) years continuous service with the LDC is completed.

An employee will be entitled to four (4) weeks vacation with pay in the year in which nine (9) years continuous service with the LDC is completed.

An employee will be entitled to four (4) weeks plus two (2) days vacation with pay in the year in which thirteen (13) years continuous service with the LDC is completed.

An employee will be entitled to five (5) weeks vacation with pay in the year in which sixteen (16) years continuous service with the LDC is completed.

An employee will be entitled to five (5) weeks and two (2) days with pay in the year in which twenty (20) years continuous service with the LDC is completed.

An employee will be entitled to six (6) weeks vacation with pay in the year in which twenty-five (25) years continuous service with the LDC is completed.

An employee will receive an additional one (1) day vacation in the year in which thirty (30) years of continuous service with the LDC is completed.

- 12.02 Vacation qualification period shall be from January 01 to December 31 each year.
- 12.03 Employees shall indicate their vacation choice, in writing, to their Department Head by March 31st of each year, and the Department Head shall post a vacation list by April 15th. In scheduling vacation, preference will be given in order of seniority when submitted prior to March 31.
- The LDC may not revoke an employee's scheduled holiday within fifteen (15) days prior to their vacation.
- 12.04 Where an employee is off work for three (3) or more consecutive months in a calendar year, the employee's vacation pay will be pro-rated based on time worked, save and except for the pregnancy/adoption/parental leave period as governed by the Employment Standards Act.
- 12.05 Employees requiring to be hospitalized for one (1) or more days during a scheduled vacation, shall be entitled to substitute sick leave for the equivalent time hospitalized.

- 12.06 Where it is mutually agreeable, an employee may carry over a maximum of one (1) weeks vacation to the following year (to be taken by April 1st of that following year). Requests for carry over must be made prior to September 1st.

ARTICLE 13 – SICK PAY ALLOWANCE

Sick Pay Allowance shall be as follows: -

- 13.01 Sick leave credits will be allotted on the basis of one and a half (1½) days per month, for a total of eighteen (18) days per year and shall accumulate to two hundred (200) days.
- 13.02 An employee must ensure that their illness is reported to Management prior to the employee's normal starting time. Sick pay benefits will be paid by the LDC due to an absence through illness or injury. After more than two (2) days, Management may require a Doctor's certificate stating the employee's fitness to return to work. After more than four (4) sick leave occurrences in any calendar year, the LDC may arrange and pay for a full functional abilities test confirming the employee's fitness to be at work and any restrictions to the employee performing their regular duties. The LDC will maintain the employee's wage rate during this process. The LDC will reimburse an employee for the standard cost of a Doctor's certificate upon proof of payment.
- 13.03 Sick pay credits are cumulative during the term of employment with the LDC.
- 13.04 Statement of the balance of days of sick pay credits accumulated by each employee shall be given to each employee quarterly.
- 13.05 When a regular employee, through his/her employment by the LDC, suffers a disability which is compensable under the Workplace Safety and Insurance Board Act, the LDC agrees to maintain the wage rate of the employee involved for a period of twelve months. To be eligible for the benefits above, the employee shall endorse all benefit cheques received by them, from the Workplace Safety and Insurance Board and turn them over to the LDC.

ARTICLE 14 – MEDICAL PLAN AND PENSIONS

The LDC agrees to pay one hundred percent (100%) of the premium cost of the following benefits: -

- 14.01 Employer's Health Tax;
- 14.02 The medical/surgical health plan as per the current specifications of the MEARIE, or the equivalent. Vision coverage to \$425.00, effective April 1, 2015 \$450.00 per family member, every two (2) years including one eye exam every two (2) years (if not covered by OHIP).
- 14.03 A long-term disability plan or the equivalent;
- 14.04 MEARIE current O.D.A. fee schedule; orthodontics cap to \$2,800.00.

- 14.05 Every probationary and regular employee will enroll in the OMERS Pension Plan. Contributions to this plan are split on a 50/50 basis between the LDC and the employee.
- 14.06 The LDC shall continue to pay for a period of time not to exceed eighteen (18) months from the first day of sickness or injury, the premium for benefits in this article of the Agreement.
- 14.07 From the eighteenth (18th) month to, and including the twenty-fourth (24th) month, the premium for benefits in this article of the Agreement shall be paid by the employee.

ARTICLE 15 – PROMOTIONS & TRANSFERS, LAY-OFF & RECALL

- 15.01 Length of continuous service with the LDC will be given consideration in making promotions, lay-offs, transfers or re-employment.
- 15.02 In making promotions and transfers among applicants, Management will consider the qualifications, skills and capability of all applicants within the Bargaining Unit. Where the above factors are relatively equal among applicants in Management's opinion, seniority shall govern.
- 15.03 a) In the case of lay-off and recall, the last employee hired shall be the first employee laid-off; provided the remaining employees are able to perform the work available. The first employee recalled shall be the last employee laid off, provided the employee is able to perform the work available.
- b) Any part-time employee working less than twenty-four (24) hours per week or any student will be laid off prior to any PWU member being laid off, providing the PWU member is capable of performing the work available. (The PWU member performing the work would maintain their employee status.) All PWU members will be recalled as per Article 15.03(a) prior to the hiring or recall of any part-time employee working less than twenty-four (24) hours or any student, provided the employee is able to perform the work available.
- 15.04 a) Outside employees who are temporarily assigned to a higher classification for a period of four (4) or more hours shall receive the rate of pay for such classifications, while so assigned. In no case will any employee receive less than their wage rate while so temporarily assigned.
- b) It is understood and agreed that with the small office force available, the LDC may fully and freely temporarily transfer its employees from one job classification to another job classification, to cope with and meet the demands of its customers and the work available. Where such temporary transfers extend beyond four (4) or more hours, the employee so transferred is to receive seventy (70) cents per hour or the hourly rate on the next wage progression of their own classification, whichever is greater, providing the increase does not exceed the top rate of pay for the temporary classification.
- 15.05 If any employee accepts a promotion outside of the bargaining unit and does not return to the bargaining unit within twelve (12) months of the date of the promotion, seniority within the bargaining unit will be lost for the purposes of layoff and recall only. If the employee returns on or before twelve (12) months, his/her seniority will continue to accrue from the date of promotion.

- 15.06 Notice of vacancies and of all newly created positions falling within the bargaining unit will be electronically sent to all employees and posted on the bulletin board for a period of five (5) working days. The notice will contain the particulars of the job, the deadline for applications, and the wage rate to be paid. If an employee is on a leave of absence, vacation and/or sick time during the five (5) day posting requirement, the employee is allowed to submit a late application within five (5) days of the internal posting closing date.
- 15.07 In Management's opinion, if there are not suitable applications from within the bargaining unit, Management reserves the right to make a selection from outside the unit or to withdraw the advertisement.

ARTICLE 16 – LEAVE OF ABSENCE

- 16.01 Leave of absence with pay will be granted to any employee for up to five (5) working days in order to arrange and/or attend the funeral in the event of the death of the employee's spouse, common-law spouse (includes same sex partner) or child.
- 16.02 Leave of absence with pay will be granted to any employee for up to three (3) working days in order to arrange and/or attend the funeral in the event of the death of the employee's: parent, brother, step-brother, sister, step-sister, parent-in-law, grandparents, sister-in-law, brother-in-law, grandparent-in-law, son/daughter-in-law and grandchildren.

With the foregoing provisions applying, one (1) day will be granted in the event of the death of uncles, aunts, nieces, or nephews.

- 16.03 Leave of absence with pay will be granted during working hours while discussing grievances arising out of the content of this Agreement with the Management or membership and the LDC. Permission for it must be obtained from Management in advance.
- 16.04 Leave of absence without pay may be granted to an employee to attend Union functions as an official delegate, provided one (1) week advance notice is given to the Supervisor.
- 16.05 The LDC agrees that representatives of the Bargaining Unit, involved in negotiations, shall receive full pay up until, but not including, conciliation and/or mediation utilizing the Ministry of Labour.

PREGNANCY, ADOPTION AND PARENTAL LEAVE

- 16.06 The LDC will operate in accordance with the Employment Standards Act.
- 16.07 Any employee desiring a leave of absence without pay may be granted such leave on reasonable notice to the LDC insofar as the regular operation of the department in which the employee is employed will permit. Any such leave of absence shall not exceed an amount, which in the opinion of the LDC, is reasonable. Benefits will be provided for any employee for any leave up to and including one (1) month duration. Approval for such leave should be requested one month prior to the date the leave is required. The LDC will make every effort to respond to the request within one (1) week. Where an employee has requested a leave of absence, it is understood that Article 12.03 takes precedence.

FAMILY LEAVE

- 16.08 General Leave – when, in the LDC's judgement, the circumstances warrant such action, leave of absence, with pay, will be granted. This leave is based upon reasons of personal emergency, such as severe illness in the immediate family, which necessitates remaining home until adequate arrangements could be made for outside help, or being at close attendance at a hospital. Also, in cases where an employee is faced with the effects of a severe storm, flood or fire.

JURY DUTY

- 16.09 Leave of absence, with pay, will be granted to duly subpoenaed employees called upon to perform jury duties, or act as a witness, upon submission of appropriate court documentation.

ARTICLE 17 – FIRST AID AND SAFETY

- 17.01 Safety sessions for the outside employees shall be held once every month. A joint agenda shall be produced and posted. Minutes of the meeting will be recorded, posted and filed.

Safety sessions for the inside employees shall be held once every three (3) months. A joint agenda shall be produced and posted. Minutes of the meeting will be recorded, posted and filed.

- 17.02 In order that all its employees may be aware of the precautions to be taken against accidents, the LDC shall issue, to all outside employees covered by this Agreement, a copy of the rule book issued by the Infrastructure Health & Safety Association or the successor association.
- 17.03 Both parties are committed to the health and safety of all employees as demonstrated in Halton Hills Hydro Inc. Joint Health and Safety Policy. The LDC will provide Core Certification Training for the bargaining unit member. Certified Health and Safety Representatives have the unilateral right to stop unsafe work.

ARTICLE 18 – PAY DAYS

- 18.01 Wages of all employees covered by this Agreement shall be paid on a weekly basis no later than normal closing time on Wednesday, except when a recognized holiday is observed on a Monday, then the employee's wages will be paid and pay statement issued no later than normal closing time on Thursday. This payment will be by direct deposit to a maximum of three (3) accounts in a Canadian Financial Institution designated by the employee. The LDC is responsible for the cost of depositing these funds to the employee's account.

ARTICLE 19 – TOOLS AND EQUIPMENT

- 19.01 The LDC will supply the necessary tools, gloves and equipment to carry out the service. An employee must return the worn out or broken article in order to receive a replacement. The employee will be responsible for proper care of all such tools.

CLOTHING

- 19.02 a) Clothing allowances will be issued annually, in accordance with the LDC Clothing Policy – Appendix “C-1”;

When it is necessary in any emergency for employees to work outside during wet weather, the LDC will supply rubber coats, hats and boots.

- b) The LDC will arrange for the supply and cleaning of coveralls for the Mechanic.

- c) Annual boot allowance to be included as outlined in Appendix C-1 for all A-1 employees required to wear protective footwear.

TRAINING COURSES

- 19.03 No overtime premiums for travelling time outside of normal hours shall be made in order to attend training courses. The principle for payment while attending training courses, will be to guarantee the employee's wage rate. Mileage will be paid as per LDC policy for travelling to and from the training centre, plus payment for any meals during the travelling period.

ARTICLE 20 – GENERAL

INCLEMENT WEATHER

- 20.01 When, in the LDC's opinion, the weather is unduly adverse, alternative work may be assigned within the normal scheduled hours of work. The intent of this provision is to protect the employee from potential health and safety risks.
- 20.02 It is understood, the above stipulations will not prevail under emergency conditions.

CORRESPONDENCE

- 20.03 All correspondence between the Parties, arising out of this Agreement, or incidental thereto, shall pass to and from the President of the LDC, with a copy to the appropriate Department Head, Utility Steward and the Executive Assistant.

ARTICLE 21 – WAGE CLASSIFICATIONS

- 21.01 The wage rates and classifications of employees covered by this Agreement shall be those shown in Appendix “A1”, “A2” and “A3” attached hereto, and forming an integral part of this Agreement.
- 21.02 The Employer shall prepare a new job description whenever the duties of a job change. When the duties of any job are significantly changed or increased, or where the Union/Employee feels that a job is unfairly or incorrectly classified, or when a new job is created, the wage rate shall be subject to negotiations between the LDC and the Union.

- 21.03 Progression shall be based on the qualifications as established in Appendix A1, A2 and A3, providing the employee has qualified themselves to the satisfaction of Management.
- 21.04 Should an employee not be progressed in accordance with Appendix A1/A2/A3, the Management of the LDC shall make it known to the employee(s) the reasons so that he/she can be in a better position to make every effort to improve.
- 21.05 A re-evaluation of progression, will be made six (6) months from the date of the first interview. Should an employee not be able to improve, to the satisfaction of the President or LDC, the LDC will have the right to dismiss him/her or assign him/her to other duties, if available, for which he/she is qualified.

ARTICLE 22 – COPIES OF AGREEMENT

- 22.01 The LDC shall have printed, sufficient copies of the Agreement, in booklet form, within thirty (30) days of signing. Both parties agree to share the cost equally.

ARTICLE 23 – DURATION OF AGREEMENT

- 23.01 This Agreement shall come into effect on the first (1st) day of April 2013 and shall remain in effect until the thirty-first (31st) day of March 2016 and thereafter from year to year, unless either party gives notice of a desire to revise this Agreement; and the reply to such notice must include a written presentation of any proposed revisions.

ARTICLE 24 – MID-TERM AGREEMENTS

- 24.01 Working conditions during this term of the Agreement shall be outlined in this Agreement and any Mid-Term Agreement(s). A Mid-Term is a modification of the Collective Agreement executed by the parties in the following format, during the term of the Collective Agreement.

(sample to follow)



MID-TERM AGREEMENT # _____

Title: _____

It is jointly agreed that the following Mid-Term shall form part of the Collective Agreement between the parties.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



COLLECTIVE AGREEMENT

between

HALTON HILLS HYDRO INC.

and

POWER WORKERS' UNION
CUPE LOCAL 1000

April 1, 2013 - March 31, 2016

SIGNATURE PAGE

Halton Hills Hydro Inc.

Power Workers' Union

Date

APPENDIX INDEX

Appendix A-1	40 Hour Wage Rates
Appendix A-2	35 Hour Wage Rates
Appendix A-3	37.5 Hour Wage Rates
Appendix B	Flex Time
Appendix C	Clothing Policy
Appendix C-1	Addendum to Appendix "C"
Appendix D	Lieu Time
Appendix E	Job Share Program
Appendix F	Christmas Shutdown
Appendix G	On-Call Duty
Appendix H	Hours of Work Alternative – Line Section
Appendix I	Mechanic
Appendix J	Lead Hand – Substation Electrician
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Appendix L	SouthWestern Energy Inc.

APPENDIX 'A-1'

40 HOUR WAGE RATES

Position

Increase
Apr 1/2013

Increase
Apr 1/2014

Increase
Apr 1/2015

Position

Increase
Apr 1/2013

Increase
Apr 1/2014

Increase
Apr 1/2015

LINE SECTION

2.65%

2.65%

2.70%

METER TECHNICIAN

2.65%

2.65%

2.70%

DISPATCH CLERK

2 1/2 years

18 months

1 year

after 6 months

starting rate

ENGINEERING COORDINATOR

2 1/2 years

18 months

1 year

after 6 months

starting rate

ENERGY SERVICES COORDINATOR

2 1/2 years

18 months

1 year

after 6 months

starting rate

SERVICE LAYOUT PERSON

2 1/2 years

18 months

1 year

after 6 months

starting rate

MAPPING/DRAFTSPERSON

2 1/2 years

18 months

1 year

after 6 months

starting rate

ENGINEERING CLERK

2 1/2 years

18 months

1 year

after 6 months

starting rate

MECHANIC

2 1/2 years

18 months

1 year

after 6 months

starting rate

SENIOR ENGINEERING TECHNICIAN

2 1/2 years

18 months

1 year

after 6 months

starting rate

ENGINEERING TECHNICIAN

2 1/2 years

18 months

1 year

after 6 months

starting rate

STORES/BUYER

2 1/2 years

18 months

1 year

after 6 months

starting rate

SUBSTATION ELECTRICIAN

Journey person

3 rd Year

2 nd year

after 6 months

starting rate

Labourer

2 1/2 years

18 months

1 year

after 6 months

starting rate

MASTER ELECTRICIAN

Journey person

4th year

3rd year

2nd year

2nd 6 months

Starting Rate

NOTE: Sub Foreman's top wage is calculated at 6% above the top journey person wage.

NOTE: Construction Foreman's top wage is calculated at 12% above the top journey person wage.

NOTE: Lead Hand rate is calculated at 3% above Journey person or, 3% above top rate of other applicable wage classification.

APPENDIX 'A-2'
35 HOUR WAGE RATES

Position		Increase Apr 1/2013	Increase Apr 1/2014	Increase Apr 1/2015	Position		Increase Apr 1/2013	Increase Apr 1/2014	Increase Apr 1/2015
CASHIER		2.65%	2.65%	2.70%	BILLING/AMI COORDINATOR		2.65%	2.65%	2.70%
2 1/2 years	25.31	25.98	26.67	27.39	2 1/2 years	32.90	33.77	34.66	35.60
18 months	24.06	24.70	25.35	26.03	18 months	31.33	32.16	33.01	33.90
1 year	22.79	23.39	24.01	24.66	1 year	29.75	30.54	31.35	32.20
after 6 months	21.52	22.09	22.68	23.29	after 6 months	28.19	28.94	29.71	30.51
starting rate	20.27	20.81	21.36	21.94	starting rate	26.62	27.33	28.05	28.81
CUSTOMER SERVICE REPRESENTATIVE					BILLING REPRESENTATIVE				
2 1/2 years	27.64	28.37	29.12	29.91	2 1/2 years	29.15	29.92	30.71	31.54
18 months	26.23	26.93	27.64	28.39	18 months	27.70	28.43	29.18	29.97
1 year	24.83	25.49	26.17	26.88	1 year	26.25	26.95	27.66	28.41
after 6 months	23.46	24.08	24.72	25.39	after 6 months	24.76	25.42	26.09	26.79
starting rate	22.05	22.63	23.23	23.86	starting rate	23.34	23.96	24.59	25.25
ACCOUNTING COORDINATOR					ACCOUNTING/PAYROLL CLERK				
2 1/2 years	30.29	31.09	31.91	32.77	2 1/2 years	29.15	29.92	30.71	31.54
18 months	28.80	29.56	30.34	31.16	18 months	27.70	28.43	29.18	29.97
1 year	27.29	28.01	28.75	29.53	1 year	26.25	26.95	27.66	28.41
after 6 months	25.77	26.45	27.15	27.88	after 6 months	24.76	25.42	26.09	26.79
starting rate	24.22	24.86	25.52	26.21	starting rate	23.34	23.96	24.59	25.25
ACCOUNTS PAYABLE CLERK									
2 1/2 years	27.64	28.37	29.12	29.91					
18 months	26.23	26.93	27.64	28.39					
1 year	24.83	25.49	26.17	26.88					
after 6 months	23.46	24.08	24.72	25.39					
starting rate	22.05	22.63	23.23	23.86					

APPENDIX 'A-3'

37.5 HOUR WAGE RATES

[illegible]



APPENDIX B

MID-TERM AGREEMENT #2013-01

Title: Flex Time

It is jointly agreed that the following Mid-Term shall form part of the Collective Agreement between the parties.

- The opportunity to work flex time shall be by mutual agreement between the employee and the management supervisor;
- Flex time agreement is driven by individual departmental needs and/or requirements and may not be appropriate for all departments;
- Flex time is on an hour-for-hour basis based on the employee's normal straight time hours;
- Flex time may include flex start and stop times, compressed work week, summer hours etc.;
- Operational effectiveness shall not be reduced as a result of a flex time arrangement;
- This Mid-Term may be revoked by either party with thirty (30) days written notice.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX C - Clothing

LETTER OF UNDERSTANDING #2013-01

Employees are required to perform their duties properly attired, for the reasons of safety and personal appearance.

The clothing will be supplied annually; the care and replacement of the provided articles of clothing will be the sole responsibility of the employee within each calendar year of issue. Employees will provide their sizing by May 1 of each year and will be ordered within five (5) days; and issued immediately upon receipt.

If an employee performs work out of uniform, the employee shall be sent home without pay until they return in full uniform.

Shorts or ripped uniforms will not be tolerated and any infraction of this Appendix will result in the above-mentioned consequences.

The annual issue of clothing shall be initiated upon the return of old uniforms. The LDC agrees to supply the following items of clothing to the listed departments:

Line Department	2 smocks, 2 overalls annually, and 1 pair of insulated overalls every two (2) years, 3 shirts and 2 pants.
Meter Department	1 smock, 1 overalls, 3 shirts and, 2 pants.
Layout & Locates,	1 smock, 1 overalls, 3 shirts and, 2 pants.
Stores/Buyer	1 smock, 1 overalls, 3 shirts and, 2 pants.
Mechanic	3 shirts, 2 pants and, coverall to be contracted.
Engineering **	1 smock, 1 overalls, 1 shirt and, 1 pants. ** to be replaced when worn out.

No other personnel shall be provided with clothing of any sort.

These items of clothing shall be provided over and above the normal rainwear and protective clothing requirements.

Management shall determine what type of clothing will be provided to the employees, and there will be no trading off for different articles of clothing.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX C-1

MID-TERM AGREEMENT #2013-02

Title: Clothing
Reference to: 19.02(a), 19.02(c) and Appendix C

It is jointly agreed that the following Mid-Term Agreement shall form part of the Collective Agreement between the parties:

For the duration of the current Collective Agreement, Article 19.02(a) and 19.02(c) will no longer apply to employees on Appendix A-1.

- The LDC will cover the costs up to a maximum of \$1,100.00, effective April 1, 2014 \$1,125.00 and, effective April 1, 2015 \$1,150.00 per employee (including applicable taxes) for the Lines Department/Substation Electrician/Electrician; up to a maximum of \$765.00, effective April 1, 2014 \$785.00 and, effective April 1, 2015 \$805.00 per employee (including applicable taxes) for the Metering and Locates/Layouts Departments, and; up to a maximum of \$530.00, effective April 1, 2014 \$545.00 and, effective April 1, 2015 \$560.00 per employee (including applicable taxes) for Stores/Buyer, Engineering and Mechanic, for the purchase of approved rated clothing and work boots (that meet or exceeds current legislation);
- In order to receive reimbursement for the purchase of work boots, original receipts must be submitted to the immediate supervisor for approval;
- The clothing will be ordered once per year, and arrangements will be made to have the supplier(s) come in during the first week of May and all orders will be taken that day;
- This will be the work uniform with a HHH logo – no other clothing will be worn or the employee will be sent home, without pay, to change and return to work;
- Any amount spent by the employee over the above-noted agreed-upon dollar amount, the employee will be notified of the amount, which will be deducted from the employee's subsequent pay; and
- This agreement can be terminated by either party with thirty (30) days written notice.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX D – Lieu Time

LETTER OF UNDERSTANDING #2013-02

1. GENERAL

All employees will be permitted to take time off in lieu of overtime pay, on a one (1) hour worked for one and a half (1.5) hours off basis, at a time mutually convenient to management and the employee.

2. DURATION

The program will run until the end of the current Collective Agreement.

3. OPERATING TERMS

- a) Banked lieu time may not exceed five (5) days at any given time;
 - b) Banked lieu time may not exceed ten (10) days in any calendar year.
4. Employees electing lieu time in place of overtime pay must do so prior to time sheets being submitted to Finance Department by their supervisor.
5. The minimum time that an employee may take off in lieu is one (1) hour.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX E

MID-TERM AGREEMENT #2013-03

Title: Job Share Program

It is jointly agreed that the following Mid-Term Agreement shall form part of the Collective Agreement between the parties:

Job sharing is a unique arrangement that requires a high level of cooperation and compatibility between the two individuals.

Because of these dynamics, the LDC and the Union feel that it is best left to individual employees to find an appropriate partner and establish an acceptable arrangement between them before approaching Management. The arrangements should be formalized in a Job Share Agreement which would cover issues such as hours of work, vacation coverage, etc.

1. Any action related to the concept of "job sharing" is intended to be mutually beneficial for all those involved. Although the words "job sharing" commonly describe the intent of this program, it is understood that officially, the LDC is agreeing to employ regular job-share employees subject to the principles and guidelines noted below and the most current Collective Agreement.
2. Participants in the job share program are responsible to Management, not to each other.
3. Job share employees shall be granted the pro-rated credit for seniority, statutory holidays, sick leave allowance and vacation pay, based on their hours worked. Proration of time based benefits will only be considered if the ratio of hours worked exceeds 50:50 in any calendar year and any resulting change must be accepted by all parties involved, including the Union, Management and job share participants. Employees may still belong to the OMERS Pension Plan as per the OMERS Pension Plan rules.

*Example: Employee has worked 3 years with the LDC.
Employee works 17.5 hours per week.
Employee would receive 3 calendar weeks' vacation at 17.5 hours pay per week.*

4. Any additional costs (ie Union dues) created by the job share program shall be paid by those employees participating in the program who created the extra cost. All premium based benefits shall be available to job share employees on a basis equal to regular employees, subject to the job share employees paying any added costs and subject to any restrictions which may be imposed by the carriers.

It is intended that the job share participants will each pay 50% of the premium based benefits, such as extended health, dental, vision and LTD plans, regardless of the actual hours worked. The intent is to avoid using hours worked to prorate the employee's share of the premium costs as this could result in the LDC paying more than the equivalent of one full time employee. The 50% of the premium costs will be deducted from the job share participant's pay. If the employee elects not to pay the 50% cost of the premium based benefits, such as extended health, dental, vision, and LTD plans, no coverage is provided. If the employee elects coverage they are entitled to 100% of the coverage offered by the carrier. The employee has the option to opt back into the plan as per the "regular" full time employees provided the carrier allows it. NOTE: There will be no Long Term Disability coverage as the current Long Term Disability Plan provided by the employer does not apply to persons working less than 20 hours per week for the employer

Example: Employee works 20 hours per week (2.5 x 8 hours in a 40 hour week). 50% of the premium cost of the health plan will be deducted from the employee's pay.

Employee works 17.5 hours per week (2.5 x 7 hours in a 35 hour week). 50% of the premium cost of the health plan will be deducted from the employee's pay.

5. The intent of the job share program is to have two employees share equally in a single full time job. It is intended that participating employees will work ½ of the normal hours and the sum of hours is equal to a full time job. It is recognized, however, that this may not be practical during short-term periods. No job share employee shall work less than 40% of the full time hours. Therefore the minimum job split shall be:

40% - 60% during the first or second 6 months of the calendar year

50% - 50% over the calendar year (+/- complete regular working days (ie) 7 or 8 hours

6. As a principle, overtime and pay shall be allocated in the same manner as if only one person was in the job. Therefore, an employee participating in the job share program may be required to work more than the normal working hours in a day with overtime hours paid at the overtime rate. No different treatment than full time employees.

Example:

In a 40 hour work week where the job split is 50/50, each employee would work 20 hours. Any hours worked beyond the 20 hours would require overtime payment.

In a 35 hour work week where the job split is 50/50, each employee would work 17.5 hours. Any hours worked beyond the 17.5 hours would require overtime payment.

When a statutory holiday falls in a 35 hour work week, 7 hours will be deducted from 35 hours. Job share partners will split the balance of the time for the week. 3.5 hours of

statutory holiday pay will be paid to each job share employee. Paid statutory days will be split 50/50.

Example:

-35 – 7 = 28 hrs / 2 = 14 working hours/job share employee

-7 hrs. stat/2=3.5 hours statutory holiday pay/job share employee

7. Job share employees who do not meet the time worked requirements shall be treated the same as a regular employee who was absent from the job.
8. To obtain a full time position in the future, a job share employee would have to be the successful applicant to an advertised position in compliance with the selection process of the Collective Agreement. *(except for situations arising from #10)*
9. Each participant in the job share program is entitled to union membership and voting privileges and must pay union dues.
10. Due to the dynamics of job share, the parties consider it appropriate to set a maximum of 6 months as the initial length of the job share arrangement to allow all concerned an opportunity for a trial period. Before the end of that period, an agreement amongst all parties must be made as to the course of the job share arrangement.

In cases of permanent job share, the job share partners are locked into their decision until they successfully apply to another position, leave the employ of the LDC etc. At that time, the remaining partner is required to undertake the job share position on a full time basis, with 30 days notice. Other attempts to find a job share partner may allow a continuance of the job share arrangement, but every job share partner should recognize the possibility of being required to work full time, as outlined. If another job share partner is found, this new arrangement is subject to a trial period.

If, at the end of the six month period, the job share agreement is discontinued, both partners would revert back to their pre-job share positions on a full-time basis.

11. Backfilling arrangements are to be discussed in advance and included in the job share agreement. It is appropriate to have job share partners backfill behind one another when on vacation, but not appropriate to insist on backfilling in sick leave situations etc., thereby creating a form of on-call.

For any long-term absence, the employer will give first consideration to the other partner for an increased work week up to and including regular full time. Remuneration will be on a regular time basis, not overtime. Otherwise, the employer may fill the vacancy as they deem appropriate. When a partner agrees to work full time, they are entitled to all rights and privileges of the Collective Agreement during the full time period. (ie) no prorating.

12. Job share employees shall schedule appointments during their own time, whenever possible.
13. Management reserves the right to limit the number and types of positions acceptable for job share.

14. If the two pre-positions of the job share applicants are not of the same wage classification or scale, then the job share position shall be the position that is at the lower wage.
15. If there are more than two applicants for a job share, first consideration will be given to the senior qualified applicant(s).
16. Applicants for job share will be selected from the regular full-time members of the bargaining unit.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX F

MID-TERM AGREEMENT #2013-04

Title: Christmas Shutdown

It is jointly agreed that the following Mid-Term Agreement shall form part of the Collective Agreement between the parties:

1. **Purpose and Term:** That Halton Hills Hydro Inc. will close for the period between Christmas and New Years. More specifically, for the two (2) days in between the Christmas/Boxing Day and the New Years holiday. That this closure will be done on a trial basis for 1996 and extended year by year unless either party gives notice to terminate.
2. **Method:** All employees will be afforded the opportunity to work overtime in order to bank sufficient lieu time and be allowed to apply vacation time, time-off earned in lieu of overtime, or leave of absence toward the days of the closure.
3. **On-Call Duty:** The On-Call staff would be excluded from the Christmas Shutdown and would be required to work the days between Boxing Day and New Years Eve at their regular rate of pay.
4. **Banked Lieu Time:** That banked lieu time would be extended from two (2) days to four (4) days as required.
5. **Notice to Terminate:** This Mid-Term Agreement can be terminated by either party at any time with one (1) month's written notice.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX G

MID-TERM AGREEMENT #2013-05

Title: On-Call Duty

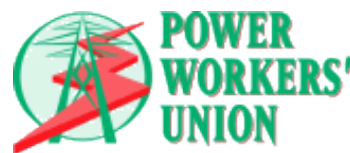
It is jointly agreed that the following Mid-Term Agreement shall form part of the Collective Agreement between the parties:

1. If a recognized holiday falls and is observed on the changeover day (Friday), the employee coming on-call will start his on-call week on the day prior to the recognized holiday. In such instances, the employee going off-call on Thursday shall receive 6/7 of the on-call allowance for that week; and the employee coming on-call Thursday shall receive 8/7 of the on-call allowance for that week.
2. A communication device will be supplied on the understanding that employees on-call shall remain within thirty (30) kilometers of the Service Centre and keep the Answering Service informed as to where they can be reached by telephone.
3. **Notice to Terminate:** This Mid-Term Agreement can be terminated by either party at any time with one (1) month's written notice.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX H – Hours of Work Alternative

LETTER OF UNDERSTANDING #2013-03

Employees required to work in the field between Victoria Day and Labour Day will normally be required to take their lunch breaks on the job and in doing so will be paid for a 20 minute lunch break period. (Hours of work shall be Monday to Friday from 0730 hours to 1530 hours). Employees may continue this practice where mutually agreeable between Labour Day and Victoria Day. This Letter of Understanding applies to staff in the Line Section and the Substation Electrician.

This Letter of Understanding can be terminated by either party at any time with one (1) month's written notice.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX I – Mechanic

LETTER OF UNDERSTANDING #2013-04

The mechanic will be paid an additional 20% premium for all work performed on town vehicles. This premium is pensionable under the employee's pension plan.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX J – Lead Hand – Substation Electrician

LETTER OF UNDERSTANDING #2013-05

By signing this Letter of Understanding, we hereby acknowledge that the qualified Senior Engineering Technician is temporarily acting as the Lead Hand over the Substation Electrician Apprentice for the period of November 2011 to October 31, 2014 and, will be compensated at 3% over the current wage category.

It is anticipated that the Substation Electrician Apprentice will complete the apprenticeship training program and certification by the end of October 31, 2014. Should there be any delay in completion of the apprenticeship training program and certification, the Senior Engineering Technician will be compensated at 3% over his/her current wage until such time as the Substation Electrician apprenticeship training program and certification is completed.

Appendix H – Hours of Work Alternative - Letter of Understanding, will apply to the Lead Hand Substation Electrician until the expiry date noted above.

Appendix C-1 – Clothing – Mid-Term Agreement 2013-02, the Lead Hand Substation Electrician will receive the same entitlements as the Lines Department until the expiry dated noted above.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX K – Joint Benefits Committee – Retirees Aged 55 - 65

LETTER OF UNDERSTANDING #2013-06

The parties agree to form a joint committee consisting of two (2) PWU representatives, selected by the Union, and two (2) Employer representatives to research an affordable and adequate benefits plan for retirees aged fifty-five (55) – sixty five (65).

The parties agree that any introduction and maintenance of the plan mentioned above will be at no additional cost to the employer. It is understood that the retired employee will pay for the cost of the plan.

The parties agree that the premiums for the plan mentioned above will be at no added cost to the employer.

The parties agree that all proposed details/implementation will be outlined in a joint document.

This committee shall be formed within ninety (90) days of ratification; shall solicit input and utilize resources as required; and, shall complete their work within one hundred and fifty (150) days of ratification.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____



APPENDIX L

MID-TERM AGREEMENT #2013-06

Title: SouthWestern Energy Inc.

During the 2013 negotiations, the parties discussed the creation of a separate Collective Agreement to cover off SouthWestern Energy Inc. Management indicated the need due to growth within SouthWestern Energy Inc. and, also to be compliant with the Affiliate Relationship Code.

The parties agree to the following:

1. The current Collective Agreement with all amendments made during the 2013 negotiations will flow across to SouthWestern Energy Inc.
2. Brad Miller will have full access to all vacancies within Halton Hills Hydro. The employee mentioned will have rights to Article 15 within the Halton Hills Hydro Collective Agreement if there is any downsizing within SouthWestern Energy Inc. The employee mentioned will have the above rights until he achieves thirty-five (35) years of OMERS credited service.
3. Jeff Newman will have full access to vacancies within Halton Hills Hydro for the term of the Collective Agreement. The employee mentioned will have full rights under Article 15 of the Halton Hills Hydro Collective Agreement if there is any downsizing within SouthWestern Energy Inc. for the term of the Collective Agreement.
4. The parties agree that if the PWU membership within SouthWestern Energy Inc. does not double in size by the end of the term of the Collective Agreement, all PWU and SouthWestern Energy Inc. employees revert back to Halton Hills Hydro with all rights as if there was no transfer of employees to SouthWestern Energy Inc.

Halton Hills Hydro Inc.

Power Workers' Union

Date Signed: _____

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APPENDIX IRR-C

HHHI'S EMERGENCY PREPAREDNESS PLAN (REDACTED)

(Intentionally blank)



HALTON HILLS HYDRO INC.
POLICIES, PROCEDURES AND DIRECTIVES

SECTION TITLE: OPERATIONS DATE: May, 1998

SUBJECT: EMERGENCY PREPAREDNESS PLAN (EPP)

REFERENCE NO: OPS 027 REVISED: 2004, 2009, 2010
February, 2011
October, 2012
October, 2013

PURPOSE

An Emergency Preparedness Plan ("EPP") is a component of risk management and is used as a device to deal with emergencies more efficiently.

The purpose of an EPP is to have written procedures in the event of a major distribution system emergency or disaster.

This EPP is strictly for hydro related distribution system emergencies and/or disasters. In the event of a Major Emergency or Disaster, this EPP will be acted upon in co-ordination with any Town of Halton Hills Emergency Disaster Plan and/or Region of Halton Disaster Plan to ensure the safe and efficient restoration of services.

1. Introduction

The following instructions pertain specifically to a Major Emergency and/or Disaster, where a lengthy power outage exists caused by forces of nature or other unexpected events which will require considerable amounts of human resources and equipment.

2. Definitions

Major Emergency - a situation where a power outage lasts up to twenty-four (24) hours and a concentrated effort of local forces is required to restore power.

Disaster - a situation where a power outage is expected to last more than twenty-four (24) hours and which requires the early organization and assistance of external help. Examples of a Disaster include ice storms, hurricanes, tornadoes or other similar severe situations. Disasters of these types are widespread and often extend beyond municipal boundaries.

3. Emergency Identification and Recognition

Prior to the EPP taking effect, a Major Emergency or Disaster must be recognized and officially identified.

Potential causes of a Major Emergency may include, but are not limited to, severe weather conditions, train derailment, acts of terrorism and loss of bulk supply.

No-power calls, calls from the public reporting downed power lines and confirmation of lines down by hydro personnel, are the first indicators that may set the EPP into motion.

During office hours, the Manager of Operations (or his/her designate) will be responsible for determining the extent of an emergency. After hours, the standby staff will be the first personnel to determine if an emergency situation may exist and will notify the Manager of Operations (or his/her designate).

4. Declaration of a Major Emergency or Disaster

After consulting staff, the Manager of Operations (or his/her designate), will determine if the situation will be declared a Major Emergency or a Disaster. The Manager of Operations (or his/her designate) will advise the President & Chief Executive Officer (or his/her designate), who will in turn notify the Board of Directors for Halton Hills Hydro Inc.

The Halton Hills Hydro Inc. Control Room and the after-hours message company (All-Call Communications) will be notified by the Manager of Operations (or his/her designate).

5. Safety

Halton Hills Hydro Inc. ("HHHI") is committed to the highest standards of safety and believes that it is the duty and responsibility of each employee to work safely and with equal concern for the safety of co-workers and the public. The Infrastructure Health and Safety Association's ("EUSA") rule book, Halton Hills Hydro Inc.'s safety practices and procedures and all applicable Occupational Health and Safety legislation must be followed.

Safety will not be set aside to expedite the restoration of power and short cuts will not be tolerated.

6. Secure Damaged Area

Appropriate steps will be taken to isolate any damaged areas, thereby facilitating power restoration in the surrounding area. The source of the outage will be cordoned off, by any reasonable measures, to prevent inadvertent access by the public that could result in contact with hazardous plant such as energized lines. HHHI's first responsibility is to safeguard the general public. The safe and efficient removal of any injured persons from the outage area will be the first priority. In the event the Major Emergency or Disaster involves distribution system equipment, it is to be assumed that the equipment is still energized or may be re-energized at any time and thus, appropriate precautions should be taken.

7. Damaged Area Restoration Priority

The hospital, HHHI Administration office, water treatment plants, Region wells, and the Town of Halton Hills works yard will be the first locations taken into consideration when restoring power during a Major Emergency or Disaster.

HHHI will attempt to restore power to as many customers as possible, in the shortest amount of time through sectionalizing and switching the distribution system. It is possible that the restoration of the outage source will not be the first action taken.

8. Command Post

A Command Post will be set up in the Engineering Meeting Room and all switching will be controlled from this office. All power outages shall be documented by the operators and reported to the Command Post immediately.

9. Additional Staffing Requirements

Once a Major Emergency or Disaster is declared, all Management will be notified and if after hours, will be required to come into work. The primary responsibilities of Management will be to assess the need for extra staff and co-ordinate the following:

- Staffing
- In-coming phone calls
- Spotters

- Material deliveries (to outage areas)
- Meals
- Media communications (prior approval of the President & CEO (or his/her designate) required)
- Various other duties as required

10. Caring for Employees' Families

HHHI employees have a commitment to their own families, especially during the course of a Major Emergency or Disaster. In order for employees to focus on the restoration of power during a declared Major Emergency or Disaster, the President & CEO (or his/her designate), will appoint a Family Emergency Coordinator, if required. The Family Emergency Coordinator will arrange for any required assistance for employees' families, including, but not limited to:

- Lodging and food; if their residence is damaged
- Transportation to a place of safety
- Medical care
- Communication arrangements
- Other assistance as required

11. Public Communication

In the event of a Major Emergency or Disaster, it is imperative that the public remain informed. Corporate Officers, with the prior approval of the President and CEO (or his/her designate), will coordinate press releases and media notification. Communication is important but caution is needed in the conveyance of information. Information provided to the public will not include restoration time estimates due to the possible occurrence of unexpected circumstances.

Public communication may take the form of Twitter feeds, Facebook postings, HHHI website postings or media releases.

12. External Assistance

Assistance during a declared Disaster may be required from several external organizations and may involve the participation and co-ordination of the Electricity Distributor's Association ("the EDA"), Hydro One Networks Inc. ("HONI"), other Local Distribution Companies ("LDCs") and/or other contractors.

It will be the decision of the President & CEO (or his/her designate), in consultation with the Manager of Operations (or his/her designate), to

request assistance from the EDA, HONI, other LDCs and/or other contractors. The Manager of Operations (or his/her designate) will be responsible for contacting any and all external organizations and coordinating the assistance. Appendix A provides instructions concerning external employees.

13. Conditions of Participation

HHHI will bear all costs incurred by external companies providing assistance. It will be the responsibility of the company providing assistance to invoice HHHI for labour, equipment and materials, including applicable burdens, based on the following:

Record of hours worked

All personnel will be requested to submit a record of hours worked on forms provided by HHHI. The information recorded must include:

- Employer (utility or contractor) name
- Employee name
- Date of each work period
- Start times
- Finish times
- Applicable work orders assigned by HHHI

This record will be used for verification of invoicing by external companies or contractors.

Working hours

Minimum twelve (12) hour shifts (including meals and travel time) will be standard during a Disaster. Sixteen (16) hours will be the maximum shift length. A minimum eight (8) hour rest period between shifts will be required.

Where possible, work will be done during daylight hours, with sleep times scheduled at night with the exception of crews that will be required for necessary response capability during the night.

Burdens

Burdens may be applied to all hours worked and all materials supplied.

Meals and lodging

The President & CEO (or his/her designate) will designate a HHHI employee who will make all necessary arrangements for lodging and meals for foreign crews and HHHI personnel (if necessary). Double occupancy may apply.

When normal accommodations are not available, HHHI personnel may be requested to billet emergency staff. Those billeting emergency staff will be reimbursed, at the rate of basic motel accommodations.

Fuel

The President & CEO (or his/her designate) will designate a HHHI employee who will make the necessary arrangements for fuelling of vehicles at designated service stations throughout Halton Hills.

14. Co-ordination of External Assistance

All visiting crews will report to the Command Post located inside the HHHI Administrative Building, where they will receive a brief orientation. See Appendix A for additional information.

15. Materials

The purchaser for HHHI (or his/her designate), will arrange all procurement of material and it is recommended that any material be on a purchase basis. External crews may also bring requested materials.

16. Electrical Inspection

In the event of a Major Emergency or Disaster, the policy that no immediate hazard to life or property will be left unattended, will be instituted. The field procedure listed below will be followed:

- a) Isolation of all damaged services from the distribution system.
- b) Advise the customer to make arrangements for repairs and electrical inspection with the Electrical Safety Authority ("ESA").

17. Summary Reports

Within thirty (30) days of the resolution of a Major Emergency or Disaster, Management will prepare a report providing a critical review of the following:

- What areas of the plan can be improved?
- What went wrong?
- What unforeseen events could be covered in the future?
- Was there department and personnel co-operation?
- What went right?
- What, if any, recommendations?
- Effect of emergency/disaster on the company and staff.

Upon receipt of the summary report, the Joint Health and Safety Committee will review and edit the EPP in order to implement any new procedures deemed necessary to alleviate the perceived deficiencies.

19. Extra Radios

Extra mobile radios can be obtained by calling – [REDACTED]

[REDACTED] will provide extra radios within 12 hours of contact.

20. Training and Participation

The EPP will be reviewed annually at a safety meeting for outside and inside staff. HHHI will also participate in any integrated exercises initiated by outside companies or HONI, if requested.

21. Backup Generator

HHHI is equipped with a 300 kW generator, which can handle the total load of the Administration Building for a sustained period of time. The diesel powered generator has enough fuel capacity for approximately seventy-two (72) hours. If a Disaster lasts beyond seventy-two (72) hours, fuel will be trucked in by [REDACTED], or any available supplier. The supplier can be contacted at [REDACTED].

HHHI has four (4) additional generators available; a 5 kW portable, a 9 kW portable and a 2 kW portable. The 5 kW generator is designated, and will be installed at the Ashgrove substation (located at 10 Sideroad and Trafalgar Road). The Ashgrove substation houses the repeater for HHHI radios and will be required to maintain communication with crews. The other two generators will be used as required. The generators are gas fuelled and will only last approximately ten (10) hours each.

Appendix A

External Employees

Before the arrival of external employees, the Manager of Operations (or his/her designate) will:

- 1) Assess extent of damage to obtain a clear indication as to:
 - a) The number of persons required
 - b) The type and quantity of vehicles required
 - c) The type of work likely to be encountered (i.e. sub-transmission, distribution, services, underground, pole replacement, conductor repair, forestry work, etc.)
 - d) Materials needed
 - e) The approximate length of time that external employees may expect to be away from their home base
- 2) Request any specific material and equipment that external crews are able to bring, if available (i.e. reels of conductor, pole trailers, heavy-duty rigging, emergency lighting, chain saws, etc.)
- 3) Indicate the size of conductor likely to be worked on, to ensure that proper sizes of sleeves, grips, presses and dies, etc., are brought by external employees.
- 4) Indicate where external employees are to report, and provide directions to the location.
- 5) Arrange accommodation and meals for external employees.
- 6) Establish clear starting and finishing times.
- 7) Establish a plan for the issuance and delivery of materials.
- 8) Determine time-reporting procedures for the restoration period.

When external employees *arrive*, the Manager of Operations (or his/her designate) will:

- 1) Provide an information sheet containing all pertinent instructions including priorities, utility policy and hours of work; names and phone numbers of local staff, etc.
- 2) Provide "check-in" and "check-out" sheets for recording information on external employees.

- 3) Provide maps of the HHHI Distribution System.
- 4) Provide a description of HHHI's Distribution System and hazards to be aware of.
- 5) Review inspection policy for use during emergency conditions.
- 6) Provide external employees with adequate information on what is expected of him/her and the nature of the work required.
- 7) Review HHHI policy on guarding against auxiliary power supplies (apply grounds).
- 8) Detail provisions by HHHI including lodging, food, rest periods, wages, etc.
- 9) Provide the name and number of a contact person, if there are any questions or concerns.
- 10) Indicate radio status and requirements.
- 11) Review other responsibilities and policies that must be followed.
- 12) Provide an information kit that can be reviewed when time is available. This kit will contain information touched on verbally, as well as a Town map, forms to be completed by external employees, HHHI safety policy, time sheets, telephone numbers, location of accommodations, and a name and number that families of external employees can use to contact in the event of an emergency. The contact name and number will be designated by the Manager of Operations (or his/her designate).