

**PALIARE
ROLAND**

BARRISTERS

Chris G. Paliare
Ian J. Roland
Ken Rosenberg
Linda R. Rothstein
Richard P. Stephenson
Nick Coleman
Donald K. Eady
Gordon D. Capern
Lily I. Harmer
Andrew Lokan
John Monger
Odette Soriano
Andrew C. Lewis
Megan E. Shortreed
Massimo Starnino
Karen Jones
Robert A. Centa
Nini Jones
Jeffrey Larry
Kristian Borg-Olivier
Emily Lawrence
Tina H. Lie
Jean-Claude Killey
Jodi Martin
Michael Fenrick
Ren Bucholz
Jessica Latimer
Lindsay Scott
Alysha Shore
Denise Cooney
Paul J. Davis
Lauren Pearce
Elizabeth Rathbone
Daniel Rosenbluth
Glynnis Hawe
Emily Home

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

Richard P. Stephenson

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

File 94979

June 6, 2018

VIA COURIER AND *RESS* FILING

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

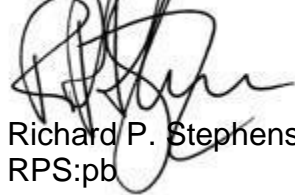
Dear Ms. Walli,

**Re: Alectra Utilities Corporation and Guelph Hydro
Electric Systems Inc. – Interrogatories
Ontario Energy Board File No. EB-2018-0014**

Please find enclosed the interrogatories of the Power Workers' Union in connection with the above-noted proceeding.

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Richard P. Stephenson

RPS:pb

Encl.

Doc 2532195 v1

**Alectra Utilities Corporation and Guelph Hydro Electric Systems Inc. –
Application for Approval of Consolidation**

Power Workers' Union Interrogatories

PWU 1

Ref: Exhibit B, Tab 2, Schedule 1, Page 4 of 16:

Subject to supportive tax rulings sought from the Ministry of Finance (Ontario), the Parties envision a future transfer of the distribution business from Alectra to a Limited Partnership structure (“LDC LP”) in order to attract investment while managing certain taxes imposed under the *Electricity Act, 1998*, such as Transfer Tax and Payments in Lieu of Taxes.... At such time as supportive tax rulings with respect to the partnership are received, Alectra would apply to the Board for the approval of the transfer of the distribution business of Alectra to LDC LP.

- a) Has Alectra already sought for such supportive tax rulings from the Government?
If yes, when does Alectra expect to receive such rulings?
- b) What does Alectra consider to be supportive tax rulings?

PWU 2

Ref: Exhibit B, Tab 2, Schedule 1, Page 5 of 16, Footnote 4:

Guelph Hydro filed a MAADs application seeking approval for leave to amalgamate Envida with Guelph Hydro on February 27, 2018 (EB-2018-0114); this Application is prepared on the assumption the Envida amalgamation with Guelph Hydro will be approved by the OEB.

- a) Is the current application dependent on the condition that the OEB approves the Guelph Hydro - Envida application for amalgamation? Specifically, explain if this application proceeds regardless of the approval and what the impact on this application would be if OEB didn't approve the Guelph Hydro - Envida amalgamation?

PWU 3

Ref: Exhibit B, Tab 2, Schedule 1, Page 8 of 16:

With respect to certain intermediate steps in the Alectra-Guelph Hydro consolidation, and in conjunction with this Application, notices of proposal will

also be filed under sections 80 and 81 in respect of Alectra Inc.'s acquisition of shares in the capital of Guelph Hydro and GMHI's acquisition of shares in the capital of Alectra Inc.

- a) Has Alectra filed these notices of proposal? If so, what is the status of the notices?

PWU 4

Ref 1: Exhibit B, Tab 5, Schedule 4, Page 5 of 11:

Employee Focus

As is the case for the consolidating Parties, Alectra's most important resource will be its employees. There will be human resource redundancies as a result of consolidating the two LDCs, given that each of the two have similar business purposes and functions.

Ref 2: Exhibit B, Tab 6, Schedule 1, Page 1 of 5:

...the OM&A savings will be achieved through \$32.5MM (net of transition costs) in savings over the first ten years post consolidation from \$24.2MM in payroll reductions and \$8.3MM (net of transition costs) for non-payroll cost reductions.

- a) What functions and how many employees are expected to be affected by this consolidation?
 b) Would the consolidation result in the co-mingling of employees of Alectra and Guelph? If so, in what functions would co-mingling occur?

PWU 5

Ref: Exhibit B, Tab 6, Schedule 2, Page 3 of 4:

2 Figure 23 - Total Operating Expenditure Savings (\$MM)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Payroll Cost Savings	-	0.29	1.99	3.04	3.08	3.13	3.18	3.23	3.27	3.32	3.37	27.91
Payroll Transition Costs	-	(3.73)	(0.01)	-	-	-	-	-	-	-	-	(3.74)
Total Payroll Savings	-	(3.44)	1.98	3.04	3.08	3.13	3.18	3.23	3.27	3.32	3.37	24.17
Non-Payroll Cost Savings	-	0.71	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	9.14
Non-Payroll Transition Costs	-	-	(0.55)	(0.25)	-	-	-	-	-	-	-	(0.80)
Total Non-Payroll Savings	-	0.71	0.39	0.69	0.94	0.94	0.94	0.94	0.94	0.94	0.94	8.34
Total OPEX Savings	-	(2.73)	2.37	3.73	4.02	4.07	4.11	4.16	4.21	4.26	4.31	32.51

- a) What are the job functions/positions and number of employees expected to be lost to achieve these Payroll Cost Savings in each year provided in Figure 23?