OAKVILLE HYDRO

Friday, November 2, 2018

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

Dear Ms. Walli:

Re: **Oakville Hydro Electricity Distribution Inc.**
2019 Electricity Distribution Rate Application – Board File No. EB-2018-0059
Responses to OEB Staff Interrogatories

Please find attached, Oakville Hydro's responses to Ontario Energy Board (OEB) staff interrogatories in the above noted proceeding.

Two paper copies of the responses, along with a Confidential Filing, will be sent by courier.

Respectfully Submitted,

Original signed by

Maryanne Wilson
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Oakville Hydro Electricity Distribution Inc.

2018 Price Cap IR Application (EB-2018-0059)

Response to OEB Staff Interrogatories

Staff Question #1

Please provide an explanation for the derivation of significant adjustments to Account 1588 ($2,231,781 credit adjustment) and Account 1589 ($1,253,804 debit adjustment) balances proposed for clearance in the 2019 DVA Continuity Schedule, as compared to the RRR 2.1.7 balances. Please see Table 1 below.

Table 1:

Account 1588 Summary of Adjustments in 2019 DVA Continuity Schedule				
2016 Principal Adj		-2,229,267		
2016 Interest Adj		-24,522		
2017 Principal Adj		21,769		
2017 Interest Adj		239		
Total Adjustments		-2,231,781		
Account 1589 Summary of Adjustments in 2019 DVA Continuity Schedule				
2016 Principal Adj		1,744,327		
2016 Interest Adj		19,188		
2017 Principal Adj		-504,165		
2017 Interest Adj		-5,546		
		1,253,804		

Response:

On February 27, 2018, Oakville Hydro received an engagement letter from the OEB's Audit and Investigations department advising that it would be conducting an inspection of its process and practices related to the global adjustment and Regulated Price Plan (RPP) settlement with the IESO.

On August 13, 2018, OEB staff issued an Inspection Report (the Inspection Report) with their findings and recommendations. On September 5, 2018, Oakville Hydro filed a copy of the Report in support of its 2019 IRM application.

The adjustments to Account 1588 ($2,231,781 credit adjustment) and Account 1589 ($1,253,804 debit adjustment) balances proposed for clearance in the 2019 DVA Continuity Schedule include the adjustments made by Oakville Hydro in response to OEB staff's findings and the interest amount applicable to those adjustments.

The credit adjustment to account 1588 of $2,231,781 is comprised of the generation adjustment of $967,355 and the global adjustment true up amount of $1,240,162. These amounts are broken down by year in Table 1-1.

Table 1-1 Adjustments to Account 1588

Account 1588	2016 Principal	2017 Principal	Sub-total	2016 Interest	2017 Interest	Total
Global Adjustment True Up	$(1,744,327)	$ 504,165	$(1,240,162)	$ (19,188)	$ 5,546	$(1,253,804)
Generation Adjustment	(484,939)	(482,396)	(967,335)	(5,334)	(5,306)	(977,976)
Total Adjustments	$(2,229,266)	$ 21,769	$(2,207,497)	$ (24,522)	$ 239	$(2,231,780)

The debit adjustment of $1,253,804 to account 1589 represents the reallocation of the global adjustment true up of $1,240,162 from account 1588 to account 1589, plus applicable interest as shown in Table 1-2.

Table 1-2 Adjustments to Account 1589

Account 1589	2016 Principal	2017 Principal	Sub-total	2016 Interest	2017 Interest	Total
Global Adjustment True Up	$ 1,744,327	$ (504,165)	$ 1,240,162	$ 19,188	$ (5,546)	$ 1,253,804

Staff Question #2

Ref: GA Analysis Work form

Please reconcile the adjustments in Table 1 above to certain amounts listed in the GA Analysis Work form, for both 2016 and 2017 transactions. For example, OEB staff needs further clarification on the following:

a) On Sheet GA 2016, notes 3a and 3b represent accruals. Please clarify why the accrual in item 3a is not reversed on sheet "GA 2016".

Response:

The accrual in item 3a is the reversal of the 2015 accrual which relates to prior year activities. Therefore, the accrual in item 3a is not reversed on sheet "GA 2017".

b) Please provide further explanation for items 2a and 2b (Note 5) in the GA 2016 and GA 2017 worksheets.

Response:

In accordance with IFRS and OEB guidelines, Oakville Hydro accounts for RPP settlement amounts on an accrual basis. At the time of settlement, Oakville Hydro estimates unbilled consumption for the purpose of settlement. In accordance with the OEB's letter of May 23, 2017, Oakville Hydro has made an adjustment to capture the difference between its estimates and the actual billed amounts for the month.

c) Please describe why the same amount of -$417,056 for IESO Bronte Error was recorded in both the GA 2016 and GA 2017 tabs.

Response:

In 2016, a short-term load transfer in one of the transformer stations serving Oakville Hydro resulted in incorrect metered consumption during the load transfer period. As a result, Oakville Hydro was over billed for electricity charges by the IESO.

Oakville Hydro recorded the adjustment in both the GA 2016 and GA 2017 tabs. However, the adjustment was recorded in 2016 and settled in 2017. Therefore, Oakville Hydro has included this amount as an adjusting item on the 2017 GA work form.

Since removal of this adjusting item from the 2016 GA work form resulted in a variance of over one per cent, Oakville Hydro conducted further research into the variance between the net change in the global adjustment variance account and the expected change in the global adjustment variance charge. This research found that there were several variances between the posted global adjustment rates and the billed global adjustment rates charged by the IESO in their 2016 final statements. In 2017, there were no material variances between the posted global adjustment rates and the billed rates. The details of these 2016 variances are provided below.

Billed vs Posted Global Adjustment Rates 2016

Month	KWH	Billed GA (IESO Invoice)	Billed GA Rate	Actual GA Rate	Rate Variance	Billed Variance
Jun-16	157,634,056	$ 15,034,028	$ 95.37	$ 95.45	$ (0.08)	$ (12,142)
Sep-16	143,334,784	13,333,232	93.02	95.31	(2.29)	(328,007)
Nov-16	127,156,459	$ 14,080,581	$ 110.73	$ 111.09	$ (0.36)	(45,230)
Total						**$ (385,379)**

d) Please explain why a $1.7M adjustment was recorded in GA 2016 worksheet with respect to a misallocation between Account 1588 and Account 1589, and why no adjustment was made in the GA 2017 worksheet.

Response:

As discussed in response to Question 1 and detailed in Table 1-1, the adjustment of $1,744,327 relates to a misallocation of the global adjustment between accounts 1588 and 1589 in the year 2016. The adjustment of $504,165 relating to the misallocation of the global adjustment between accounts 1588 and 1589 is included as item 8 in the GA 2017 worksheet.

e) Please describe why $458k of embedded generation charges was recorded in 2016, and why no adjustment was made in the GA 2017 worksheet.

Response:

When calculating the global adjustment to be charged to electricity distributors, the IESO includes the kWh generated by embedded generators. In 2016, Oakville Hydro's global adjustment charges included an amount of $458k related to embedded generation. Since this amount is not reflected in the calculation of the Expected Global Adjustment, Oakville Hydro has identified this as a reconciling item in the GA 2016 worksheet. An adjustment of $486k is made on Item 8 of the GA 2017 work sheet.

f) Please explain the adjustments in Note 5, items 8 and 9, of $504k and $486k that were made in the 2017 tab of the GA Work form.

Response:

As discussed in response to Question 1 and detailed in Table 1-1, the adjustment of $504k relates to a misallocation between accounts 1588 and 1589. The adjustment of $486k is described in response to part e) of this question.

Staff Question #3

Ref: GA analysis work form

Please clarify whether OEB regulatory accounting practices are being followed. For example, OEB staff needs further clarification on the following:

a) Please describe whether there is a true-up being consistently done to actual GA.

Response:

Oakville Hydro trues up the estimated GA to the actual GA on a monthly basis.

b) Please explain when Oakville Hydro started its practice of truing-up kWh to actual kWh that flowed rather than using billed kWh. Please also describe how Oakville Hydro uses both billed data from its customer information system and unbilled data from its smart meters to calculate the true-up.

Response:

In accordance with OEB requirements, Oakville Hydro prepares its monthly Regulated Price Plan ("RPP") refund claims on an accrual basis. Oakville Hydro uses actual billed data from its Customer Information System ("CIS"). The CIS provides metering data, the estimated Global Adjustment, the Weighted Average Price ("WAP") of power for RPP customers and the amounts billed to RPP customers for power. Oakville Hydro calculates the accrual using actual smart meter data from its Operational Data Store ("ODS"). Each month, Oakville Hydro provides its ODS service provider with the last read date for all RPP customers. This data is combined with the smart meter data stored in the ODS to provide, for each RPP customer, the kWh consumed but not billed. The Global Adjustment is trued-up on a monthly basis using the actual global adjustment as posted on the Independent Electricity System Operator's (IESO's) website.

However, due to system limitations, it was not Oakville Hydro's practice to true up the billed and accrued amounts to actual billed kWh. Therefore, Oakville Hydro has included an adjustment in the GA work form.

Oakville Hydro notes that its current practice of estimating billed kWh using smart meter data provides an accurate estimate of billed kWh at the time that the accrual is made, whereas billed data from its billing system cannot accurately capture the billed quantities for a particular month. The reason for this is that, in the absence of hourly or daily billing quantities, the billing system prorates kWh consumption equally over the billing period.

c) Please clarify why Oakville Hydro stated that the entire amount of IESO Charge Type (CT) 148 initially is recorded in Account 1589, but then after calculating the RPP related GA costs, and transfers it "to" Account 1589 and "from" Account 1588, instead of vice versa.

Response:

The entire amount of IESO Charge Type 148 is initially recorded in Account 1589. After calculating the RPP related GA costs, Oakville Hydro allocates it from Account 1589 to Account 1588, as Account 1589 relates only to non-RPP GA costs.

d) Please explain whether RPP settlement true-up claims made with the IESO in the period subsequent to the fiscal year for which disposition is being requested is reflected in the balances being requested for disposition.

Response:

Oakville Hydro has included the RPP settlement true-up claims made with the IESO in the period subsequent to the fiscal year for which disposition is being requested is reflected in the balances being requested for disposition. The RPP settlement true up for 2016 of $1,744,327 and the RPP settlement true up of -$504,165 for 2017 are included in Column AV and BF in the 2019

DVA Continuity Schedule.

Staff Question #4

Ref: GA Analysis Work form, reconciling items 1a and 1b

1. Please confirm that there were no amounts recorded as reconciling items 1a (true-up of GA charges for prior year) for either 2016 or 2017 due to the fact that the applicant did not record any true-up adjustments in the general ledgers of those fiscal years. If this is not the case, please explain why there are no amounts reported for those reconciling items.

   Response:

   As discussed in response to Question 1 and detailed in Table 1-1, Oakville Hydro misallocated the global adjustment true up between accounts 1588 and 1589. Therefore, the true up of GA charges are included as reconciling items 2b for 2016 and 2017.

2. Please confirm that the applicant has updated its RPP Settlement true-up procedures consistent with the OEB May 23, 2017 letter regarding the Guidance on the Disposition of Accounts 1588 and 1589, as well as the date these updated procedures were implemented.

   Response:

   Oakville Hydro implemented monthly true up procedures in 2016. Prior to that, it had trued up the global adjustment claim on a quarterly basis.

   In its application, Oakville Hydro had not included the true up of unbilled kWh to actual billed kWh in the continuity schedules. Oakville Hydro has updated the continuity schedule in the 2019 rate generator model to reflect these true ups as well as those adjustments identified by OEB staff in their Inspection Report. Table 4-1 provides a breakdown of the adjustments that were made to the continuity schedule. Table 4-2 provides the updated balances for the Group One

accounts being requested for disposition.

Table 4-1 – Account 1589 Adjustments

Account 1589	Principal	Source
Global Adjustment True Up	$1,744,327	*Table 1-1 in IRR Question 1*
True up unbilled revenue to actual	(298,882)	*Item 2b in GA Workform (Tab "GA 2016")*
2016 Adjustments	1,445,445	
Global Adjustment True Up	(504,165)	*Table 1-2 in IRR Question 1*
Reverse prior year True up unbilled revenue to act	298,882	*Item 2a in GA Workform (Tab "GA 2017")*
True up unbilled revenue to actual	(353,932)	*Item 2b in GA Workform (Tab "GA 2017")*
2017 Adjustments	(559,215)	
Total Adjustments	**$ 886,230**	

Table 4-2 Group 1 Account Balances

Group 1 Accounts	Account	Principal	Interest	Total Claim
LV Variance Account	1550	$ 937,998	$ 27,636	$ 965,634
Smart Metering Entity Charge Variance Account	1551	(202,112)	(6,038)	(208,150)
RSVA - Wholesale Market Service Charge	1580	(3,461,356)	(108,374)	(3,569,730)
Variance WMS – Sub-account CBR Class B	1580	483,546	19,868	503,414
RSVA - Retail Transmission Network Charge	1584	(589,791)	(14,121)	(603,912)
RSVA - Retail Transmission Connection Charge	1586	(357,149)	(6,538)	(363,687)
RSVA - Power	1588	(984,056)	(20,791)	(1,004,847)
RSVA - Global Adjustment	1589	4,105,038	129,986	4,235,024
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	(42,786)	(1,675)	(44,460)
RSVA - Global Adjustment	**1589**	4,105,038	129,986	4,235,024
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(4,215,706)	(110,032)	(4,325,738)
Total Group 1 Balance		-$ 110,668	$ 19,954	-$ 90,714

Staff Question #5

Ref: Continuity Schedule

Appendix A of the 2019 Chapter 3 Filing Requirements states that distributors are expected to request disposition of residual balances in Account 1595 sub-accounts for each vintage year only once, on a

final basis.

Please explain why Account 1595 (2014) credit balance of $44,460 is being requested in this proceeding when the balance in Account 1595 (2014) was cleared on a final basis in the 2017 IRM proceeding (EB-2016-0097). Please update the IRM Rate Generator Model as needed.

Response:

In its application, Oakville Hydro inadvertently labeled this account as Account 1595 (2014). The balance being requested for disposition is the balance of Account 1595 - Recovery of Ice Storm Damage Costs, effective from December 1, 2015 to December 31, 2015 and, as such, should have been included in the Account 1595 (2015). Oakville Hydro has updated the IRM Rate Generator Model to reflect this.

Oakville Hydro had requested to dispose of the 2015 balance of Account 1595 - Recovery of Ice Storm Damage Costs in its 2017 IRM proceeding (EB-2016-0097). However, since the rate rider was in effect until December 31, 2015, Oakville Hydro recorded an additional recovery of $44,460 in this account as it continued to bill for 2015 consumption in early 2016.

Oakville Hydro notes that the balance of $44,460 is below Oakville Hydro's materiality level and defers to Board staff for direction on the appropriateness of its request for disposition of the balance of this account.

Staff Question #6

Ref: Continuity Schedule

As per the 2019 IRM Process Orientation Webinar Q&A #1, July 23, 2018, the requirements for disposition of residual balances of Account 1595 sub-accounts include the following:

1. One year has passed since the sunset date of the rate rider recovery period.

2. The amounts are supported by audited balances.

The Account 1595 (2017) rate rider was in effect over a one-year period from January 1, 2017 to December 31, 2017.

a) Explain why the Account 1595 (2017) debit balance of $5,980 is being requested in this proceeding, when one year has not passed since the December 31, 2017 sunset date of the rate rider recovery period.

Response:

Oakville Hydro has inadvertently requested to dispose Account 1595 (2017). Oakville Hydro has updated the IRM Rate Generator Model to remove this account from the amount being requested for disposition.

b) In addition, explain why not all of the Account 1595 sub-account balances cleared in the 2017 IRM proceeding are correctly reflected in the 2019 DVA Continuity Schedule. If necessary, please update the 2019 continuity schedule.

Response:

Oakville Hydro has updated the 2019 DVA Continuity Schedule to reflect all of Account 1595 sub-account balances cleared in the 2017 IRM proceeding.

Staff Question #7

Ref: Tab 6.1a GA Allocation – cell D20 Total Non-RPP Class B consumption

Ref: Tab 6.2a CBR B_Allocation – cell D20 Total Class B consumption less WMP

OEB staff is unable to reconcile the data entered in cells D20 in Tab 6.1a and Tab 6.2a. Below is a table that staff prepared showing the "Validation of Data used in class B GA and CBR Allocations". Staff notes a discrepancy for the 2017 consumption figure that is used in the "GA allocation" and "CBR B Allocation" of 2019 IRM rate model as below.

This tab allocates the GA balance to transition customers (i.e Class A customers who were former Class B customers and Class B customers who were former Class A customers) who contributed to the current GA balance. The tables below calculate specific amounts for each customer who made the change. The general GA rate rider to non-RPP customers is not to be charged to the transition customers that are allocated amounts in the table below. Consistent with prior decisions, distributors are generally expected to settle the amount through 12 equal adjustments to bills.

Year the Account 1589 GA Balance Last Disposed 2015

Allocation of total Non-RPP Consumption (kWh) between Current Class B and Class A/B Transition Customers

		Total	2017	2016
Total Non-RPP Class B Consumption for Years During Balance Accumulation (Non-RPP Consumption LESS WMP Consumption and Consumption for Class A customers who were Class A for partial or full year)	A	1,435,880,263	759,847,587	676,032,677
Transition Customers' Class B Consumption (i.e. full year or partial year)	B	182,301,597	61,302,333	120,999,264
Transition Customers' Portion of Total Consumption	C=B/A	**12.70%**		

This tab allocates the CBR Class B balance to transition customers (i.e Class A customers who were former Class B customers and Class B customers who were former Class A customers) who contributed to the current CBR Class B balance. The tables below calculate specific amounts for each customer who made the change. The general CBR Class B rate rider is not to be charged to the transition customers that are allocated amounts in the table below. Consistent with prior decisions, distributors are generally expected to settle the amount through 12 equal adjustments to bills.

Please enter the Year the Account 1580 CBR Class B was Last Disposed. 2015 **(Note: Account 1580, Sub-account CBR Class B was established starting in 2015)**

Allocation of total Consumption (kWh) between Class B and Class A/B Transition Customers

		Total	2017	2016
Total Class B Consumption for Years During Balance Accumulation (Total Consumption LESS WMP Consumption and Consumption for Class A customers who were Class A for partial or full year)	A	1,435,880,263	759,847,587	676,032,677
Transition Customers' Class B Consumption (i.e. full year or partial year)	B	182,301,597	61,302,333	120,999,264
Transition Customers' Portion of Total Consumption	C=B/A	12.70%	698,545,254	555,033,413

Table 1 – confirmation of 2017 consumptions

Total metered volume Excl WMP	A		1,543,096,232	Source I26 of tab 4. Billing Det. for Def-Var
Non-RPP excl WMP	B		793,083,666	Source C26 of tab 6.1 GA
Class A Full year	C		52,688,197	Source E26 of tab 6.1 GA
Class A Full Part year:				
While Class A	D	64,005,989		=+F-E
While Class B	E	61,302,333		Source D21 of tab 6.1a GA Allocation
	F		125,308,322	Source G26 of tab 6.1 GA
Total non-RPP excl WMP and full year volumes for class A customers who were class A for the full year, and the class A volumes who were class A part year	G= +B-C-D		676,389,480	Input in D20 of tab 6.1a GA Allocation
Total Class B Customers excl WMP and Full year volumes for customers who were class A for full year, and the class A customers who were class A part year	H=+A-C-D		1,426,402,046	Input in D20 of tab 6.2a CBR_B Allocation

a) Using Table 1, please provide a calculation for the 2016 consumptions and explain any discrepancies.

Response:

The calculation for 2016 consumption is provided in the Table 7-1 below. Oakville Hydro had inadvertently put the 2016 consumption under the 2017 column. And 2017 consumption under the 2016 column. Oakville Hydro has updated the 2019 IRM Rate Generator Model.

Table 7-1 Total Class B Consumption for 2016		
Description	Reference	2016
Total metered volume Exclude WMP	A	1,612,319,802
Non-RPP exclude WMP	B	812,713,750
Class A Full Year	C	52,866,163
Class A Part Year		
While Class A	D=F-E	-
while Class B	E	-
	F	-
Total non-RPP exclude WMP and full year volumes for Class A customers who where Class A for the full year, and the Class A volumes who were class A part year	G=B-C-D	759,847,587
Total Class B customers exclude WMP and full year volumes for customers who were Class A for full year, and the class A customers who were class A part year	H=A-C-D	1,495,447,650

b) Please confirm whether or not Oakville Hydro agrees with the updated quantities per the Table 1 calculations for 2016 and 2017. If not please explain why Oakville Hydro believes the values it used in its 2019 IRM Rate Generator Model are appropriate. Otherwise please update the 2019 IRM Rate Generator Model accordingly.

Response:

Oakville Hydro agrees with the updated quantities per the Table 1 calculations for 2016 and 2017. Oakville Hydro has updated the 2019 IRM Rate Generator Model accordingly.

Staff Question #8

Ref: Managers Summary – Page 9

a) In Oakville Hydro's 2014 decision (EB-2013-0159), the base revenue requirement that was settled upon was $35,586,668. In its current application, Oakville Hydro is using a revenue requirement of $35,568,668 to calculate materiality. Please comment on the discrepancy and if

necessary, update the materiality threshold.

Response:

Oakville Hydro confirms that the base revenue requirement that was settled on was $35,586,668. Therefore, Oakville Hydro's materiality level is $177,933.

b) OEB staff re-performed the sum of "Table 4 – May 2018 Windstorm Costs" components included in the application and generated a total of $188,014 of z-factor costs and not $187,654, as stated the application. Please confirm the correct z-factor amount being requested for recover.

Response:

Oakville Hydro has updated Table 4 – May 2018 Windstorm Costs to include an additional invoice received from a third party contractor and updated incremental labour costs. The total updated incremental costs associated with the windstorm are $195,197.

Table 8-1 - May 2018 Windstorm Costs

Cost Category	Amount
Incremental Labour Costs	$45,576
Material	15,153
Third Party Contractors	134,469
Total Incremental Costs	$195,197

c) Confirm the costs included in the Z-Factor amount are incremental costs (outside of the base upon which rates were derived).

Response:

Oakville Hydro confirms that the costs included in the Z-Factor are incremental costs outside of the base upon which its rates were derived. The costs include third-party costs, material costs

and overtime pay for Oakville Hydro's employees.

d) Confirm that the amounts are directly related to the Z-Factor event and if the wind storm event had not occurred, Oakville Hydro would not have incurred any of the costs.

Response:

Oakville Hydro confirms that the amounts are directly related to the Z-Factor event and, if the windstorm had not occurred, Oakville Hydro would not have incurred any of the costs.

e) OEB staff has compiled the following analysis based on Oakville Hydro's previous decisions. Please confirm the calculations and information used in the table below, and that by adjusting the annual revenue requirement by the annual Price Cap IR adjustment since Oakville Hydro's last rebasing, that the materiality threshold would increase to $189,237.

Year	Revenue Requirement	Price Cap	Revenue Requirement Updated for Price Cap	Materiality Threshold (%)	Materiality Threshold ($)
2014 OEB Approved	$ 35,586,668			0.5%	$ 177,933
2015	$ 35,586,668	1.15%	$ 35,995,915	0.5%	$ 179,980
2016	$ 35,995,915	1.65%	$ 36,589,847	0.5%	$ 182,949
2017	$ 36,589,847	1.60%	$ 37,175,285	0.5%	$ 185,876
2018	$ 37,175,285	0.90%	$ 37,509,862	0.5%	$ 187,549

2019	$ 37,509,862	0.90%	$ 37,847,451	0.5%	$ 189,237

Response:

In its Report of the Board on 3rd Generation Incentive Regulation, the OEB established the materiality for Z-Factor applications as follows:

- $50 thousand for distributors with a distribution revenue requirement less than or equal to $10 million;
- 0.5% of distribution revenue requirement for distributors with a revenue requirement greater than $10 million and less than or equal to $200 million; and
- $1 million for distributors with a distribution revenue requirement of more than $200 million.

Oakville Hydro submits that it is appropriate to calculate materiality based upon the OEB Approved revenue requirement of $35,586,668 in its last cost of service application (EB-2013-0159). This is consistent with the OEB's determination in its Decision and Order in Halton Hills Hydro Inc.'s 2018 IRM application in which the OEB based its decision on materiality base on Halton Hill Hydro Inc.'s 2016 approved base revenue requirement of $9,954,991[1].

Oakville Hydro acknowledges that that there have been annual adjustments to its rates through subsequent Price Cap IR applications, but submits that these adjustments do not constitute a revision to Oakville Hydro's OEB Approved base revenue requirement.

Oakville Hydro submits that it is appropriate to base its calculation of materiality on its 2014 OEB approved base revenue requirement.

[1] Decision and Rate Order, Halton Hills Hydro Inc. (EB-2017-0045), page 23.

Oakville Hydro also notes that its revised windstorm costs of $195,197, as set out in response to Staff Question 8(b), exceed both the 2018 materiality threshold of $187,549 and 2019 threshold of $189,237 in the table provided by OEB staff in Staff Question 8(e).

Oakville Hydro acknowledges that that there have been annual adjustments to its rates through subsequent Price Cap IR applications, but submits that these adjustments do not constitute a revision to Oakville Hydro's OEB Approved base revenue requirement.

In the event that the OEB should decide that it is appropriate to adjust Oakville Hydro's OEB approved revenue requirement based on the annual Price Cap IR adjustments, Oakville Hydro suggests that the adjustment should be limited to 2018, the year in which the Z-Factor event occurred. In any event, the Z-Factor event costs of $195,197 exceed the materiality level provide in the table above.

f) Provide a table with the total number of customers/connections from 2014 – 2018 (provide a forecast until the end of December 2018).

Response:

Oakville Hydro's actual and forecasted number of customers and connections for the period 2014 to 2018 are provided in the table below.

Table 8-2 - Customer Counts / Connections

Rate Class	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Forecast
Residential	60,486	61,231	62,501	64,073	65,429
General Service < 50 kW	5,104	5,197	5,371	5,512	5,596
General Service >= 50 kW	940	939	912	884	843
General Service >= 1,000 kW		20	26	22	23
Embedded Distributor(s)	1	1	1	1	1
Street Lighting Connections	11,050	11,202	11,693	11,693	11,693
Sentinel Lighting Connections	166	164	163	163	163
Unmetered Scattered Load Connections	685	714	721	721	719

Staff Question #9

Ref: Managers Summary – Z-factor Claim

a) Indicate the cost categories and dollar amounts that have not been audited in relation to the restoration of power after windstorm.

Response:

The costs associated with the windstorm occurred in 2018 and, as such, have not yet been audited. Oakville Hydro notes that the Report of the Board on 3rd Generation Incentive Regulation requires that distributors report events to the Board promptly and apply to the Board for any amounts claimed under Z-factor treatment with their next rate application. [2]

b) Indicate when all costs will be audited.

Response:

The costs associated with the windstorm will be audited in early 2019, at the time of Oakville Hydro's external financial audit.

Staff Question #10

Ref: Managers Summary – Page 9

a) Provide a copy of Oakville Hydro's Emergency Operations Plan.

Response:

A copy of Oakville Hydro's Emergency Operations Plan is provided as Appendix 1.

[2] Report of the Board on 3rd Generation Incentive Regulation, page 37.

b) Discuss any deviations from Oakville Hydro's Emergency Operations Plan.

Response:

Oakville Hydro's Emergency Operations Plan (EOP) is updated on a regular and used as part of its Business Continuity Planning exercises. As part of its Business Continuity Planning, Oakville Hydro conducts a major mock disaster on an annual basis testing each area's preparedness. As a result, Oakville Hydro was able to implement its EOP quickly and effectively to respond to this major event. Oakville Hydro did not deviate from its EOP.

c) Explain why Oakville Hydro did not engage the Canadian Electricity Association, GridSmart City and Veridian under the mutual aid agreement for assistance in the windstorm.

Response:

Oakville Hydro's alliance partner had sufficient local resources to assist with the emergency restoration of power following the windstorm while neighbouring utility partners were responding to the impact of the storm on their distribution systems.

In addition, Oakville Hydro incurred only labour and equipment costs. Oakville Hydro may have incurred lodging and meal costs had it required assistance from mutual aid partners in other jurisdictions.

Oakville Hydro's employees, and those of its alliance partner, are familiar with Oakville Hydro's service area and therefore were best suited for the task of restoring power after the windstorm.

Based on these factors, it was prudent for Oakville Hydro to seek assistance from its alliance partner as the first course of action.

d) Clarify whether Oakville Hydro paid any premium amounts to its third-party contractors.

Response:

The windstorm hit late in the day on Friday May 4, 2018 and emergency restoration continued through the weekend. As a result, Oakville Hydro paid overtime premiums for labour hours that were outside of normal working hours in accordance with its contractual obligations.

e) Provide a separate schedule (breakdown) of each Third Party Contractor invoice based on labour, materials, accommodations, meals, truck, other (provide explanation).

Response:

The breakdown of each third party contractor invoice is provided in the table below.

Table 10-1 - Subcontractor Costs by Category

Invoice	Labour	Equipment	Materials	Contracted Services	Total
Invoice 1	$ 278	$ 597	$ 80	$ -	$ 954
Invoice 2	30,490	7,540	-	-	38,030
Invoice 3	477	885	-	-	1,362
Invoice 4	7,297	1,086	-	-	8,383
Invoice 5	1,500	-	-	-	1,500
Invoice 6	28,883	5,992	-	-	34,875
Invoice 7	-	835	-	-	835
Invoice 8	8,495	2,155	-	11,915	22,565
Invoice 9	4,425	1,253	-	6,350	12,028
Invoice 10	1,721	4,263	-	-	5,984
Invoice 11	83	25	-	-	108
Invoice 12	1,250	-	-	-	1,250
Invoice 13	1,430	-	-	-	1,430
Invoice 14	2,100	-	-	-	2,100
Invoice 15	210	144	250	-	604
Invoice 16	752	157	141	-	1,050
Invoice 17	688	49	121	-	858
Invoice 18	439	74	40	-	553
	$ 90,519	$ 25,053	$ 632	$ 18,265	$ 134,469

f) Quantify the costs that would have been avoided from third party contractors had the support

available under the mutual aid agreement been requested.

Response:

Had Oakville Hydro requested support under the mutual aid agreement, it would have incurred labour and equipment costs for those members that provided support. In addition, it would have incurred incremental costs of lodging, travel, service area training, safety procedure review and meal expenses had those partners been required to acquire temporary lodging during the emergency restoration period. Therefore, Oakville Hydro does not believe that there would have been any avoided costs had it requested support under the mutual aid agreement.

Staff Question #11

Ref: Managers Summary – Page 9

a) Provide Oakville Hydro's annual Emergency Maintenance/adverse weather Capital and OM&A expense amounts (budgeted and included in rates, compared to actual expenditures), for the period 2014 and to-date.

Response:

Oakville Hydro budgets for emergencies such as storm events, lightning, damaged equipment, equipment failures, customer disconnections, fires, animal and tree related power outages, repair of damaged equipment due to vehicle accidents or responses to other uncontrollable factors. The expectation is that in any given year there will be numerous emergencies that will be addressed in the normal course of business. The extent and intensity of the windstorm was beyond the normal course of business and the OM&A budgeting does not account for such adverse events.

In its 2014 cost of service application, Oakville Hydro budgeted $587,800 for emergency maintenance. Oakville Hydro did not budget for capital expenditures as this would be somewhat

speculative and did not incur material capital expenditures as a result of the windstorm. From 2014 to 2018, year-to-date, Oakville Hydro has incurred emergency maintenance expenses of $3,498,521, an increase of $657,487 over the amount that has been included in rates. Emergency maintenance is required as a result of a number of factors and, while costs have been higher than forecasted, individual events are typically not material.

Table 11-2 - Actual Emergency OM&A Costs Compared to Amount in Rates

Year	OEB Approved	Actual	Over/(Under)
2014	$ 587,800	$ 560,021	$ (27,779)
2015	$ 587,800	951,111	$ 363,311
2016	$ 587,800	856,740	$ 268,940
2017	$ 587,800	492,893	$ (94,907)
2018 YTD	$ 489,833	637,756	$ 147,922
Total	$ 2,841,033	$ 3,498,521	$ 657,487

Oakville Hydro's budget for emergency maintenance varied from year-to-year. However, it has also incurred $580,721 over its budgeted costs.

Table 11-2 Actual Emergency OM&A Costs Compared to Budget

Year	Budget	Actual	Over/(Under)
2014	$ 587,800	$ 560,021	$ (27,779)
2015	598,000	951,111	$ 353,111
2016	596,000	856,740	$ 260,740
2017	631,000	492,893	$ (138,107)
2018 YTD	505,000	637,756	$ 132,756
Total	2,917,800	$ 3,498,521	$ 580,721

Staff Question #12

Ref: Managers Summary – Page 9 – Incremental Labour Costs

Oakville Hydro states that it is applying for recovery of incremental labour costs.

a) Provide a breakdown of all Oakville Hydro's internal labour costs applicable for 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					

Response:

Oakville Hydro tracked the number of management and non-union overtime hours worked from Friday May 4, 2018 to Sunday May 6, 2018. Hours worked for union employees were tracked for the duration of the restoral period. Oakville Hydro's breakdown of internal labour costs are provide in the following table.

Table 12-1 - Internal Labour Costs – May Windstorm

Department	Number of Eligible Employees	Regular Hours Worked	Total Regular Time Payments	Overtime Hours Worked	Total Overtime Payments
Non-Union Employees:					
Management	12	-	-	160	$ 6,125
Other Non-Union	5	-	-	19	-
Sub-total Non-Union Employees	17	-	-	179	$6,125
Union Employees					
Operations	21	508	$22,338	403	$27,546
Other	11	40	$1,733	171	11,905
Sub-total Union	32	548	$24,071	573	$39,451
Total Internal Labour for Affected Period					
Total Z-Factory Internal Labour Costs				752	$45,576

b) Provide Oakville Hydro's policy with respect to overtime for its non-union employees and management.

Response:

Oakville Hydro does not have a formal overtime policy for its non-union and management employees. However, line supervisors and other non-union and management employees are paid overtime in non-routine circumstances such a severe weather event. For this event, Oakville Hydro paid a total of $6,125 in overtime wages to employees in a supervisory position. No overtime payments were made to Managers or other non-union employees.

Staff Question #13

Ref: Managers Summary – Page 10

Oakville Hydro indicates it assisted neighboring communities once power was restored to its customers.

a) Discuss if Oakville Hydro charged a premium to assist other LDCs.

Response:

Oakville Hydro assists other its neighbouring utility on a cost recovery basis.

Staff Question #14

Ref: Managers Summary – Page 8 and 10

Oakville Hydro indicates that it has an "Alliance Agreement" with a large power line contracting firm that provided the additional support necessary to restore power quickly and safely to residents and businesses within Oakville Hydro's service area. Oakville Hydro noted that the agreement allows for *Right of First Refusal* for storm and emergency assistance to Oakville Hydro.

a) File the Alliance Agreement.

Response:

Oakville Hydro will file a copy of the Alliance Agreement in confidence in accordance with the OEB's *Practice Direction on Confidential Filings*.

b) Elaborate on the *Right of First Refusal* clause.

Response:

Please see response to part a) of this question.

Staff Question #15

Ref: Application, page 6,

Tab 1 LRAMVA Summary

In the application, Oakville Hydro states that it is requesting disposition of lost revenues associated with 2015. Oakville Hydro further explains that it is not requesting disposition of 2016 lost revenues as the amounts are subject to change in the 2017 final results report.

In Tab 1 of the LRAMVA work form, it appears from Table 1-b that an LRAMVA total of $971,935 is calculated based on new lost revenues in 2013 and 2017, which is inclusive of carrying charges amounts on the 2013-2017 principal amount.

a) Please confirm the years requested for disposition in the LRAMVA claim. Are you requesting to dispose of 2013 to 2015 lost revenue in the 2019 IRM application?

Response:

Subsequent to the filing of its application, Oakville Hydro received the 2017 Final CDM Annual Report from the IESO. Oakville Hydro has updated its application to request approval for disposition of 2013 to 2016 lost revenues. A copy of an updated LRAMVA Work form and the Final Verified 2017 Annual LDC CDM Program Results Report are being provided in Excel format.

b) If yes to a), please manually remove the lost revenue amounts related to the years that are not part of this LRAMVA disposition.

Response:

Please refer to answer Question #15(a).

Staff Question #16

Ref: Tab 2 LRAMVA Threshold

2014 Settlement Agreement, Table 21, p. 38 of 51

In Tab 2 of the LRAMVA work form, it appears that Oakville Hydro is using the 2014 LRAMVA threshold of 9,756,000 kWh from Table 22 of the 2014 Settlement Agreement as the basis of forecast savings to compare against actuals for the calculation of the LRAMVA.

a) Please clarify what CDM adjustment amount was included in the 2014 load forecast, and what was the approved LRAMVA threshold equivalent?

Response:

Page 21 of the 2014 Settlement Agreement states that Settlement Table 21 will be used in the calculation of the LRAMVA account. Table 22 breaks down that amount by rate class.

b) Please discuss appropriateness of using the incremental kWh CDM savings for 2014 as opposed to the cumulative total 2011 to 2014 forecast CDM savings (which is inclusive of prior year's savings persistence).

Response:

Oakville Hydro used the forecasted incremental kWh CDM savings for 2014 as opposed to the cumulative forecast for 2011 to 2014 as it had not included the actual persistent CDM savings in the LRAMVA work form. Oakville Hydro has updated the LRAMVA work form to include both the forecasted kWh CDM savings and the actual persistent CDM savings. An updated LRAMVA work form is being filed along with Oakville Hydro's interrogatory responses.

Staff Question #17

Ref: Tab 6. Carrying Charges

Oakville Hydro has not included interest amounts until the end of the year. The pre-filed evidence has included carrying charges up to the end of September 2018.

a) Please update Table 6 with the interest rate for Q4 2018 based on the OEB's most recently approved prescribed interest rate for deferral and variance accounts.

Response:

Oakville Hydro has update Table 6 in Tab 6 of the LRAMVA work form with the interest rate for Q4 2018 based on the OEB's most recently approved prescribed interest rate for deferral and variance accounts.

Staff Question #18

a) If Oakville Hydro made any changes to the LRAMVA work form as a result of its responses to interrogatories, please file an updated LRAMVA work form. Please confirm any changes to the LRAMVA work form in "Table A-2. Updates to LRAMVA Disposition (Tab 2)".

Response:

Oakville Hydro will file an updated LRAMVA work form and confirm the changes in Table A-2 – Updates to the LRAM Disposition.

Appendix 1

Emergency Operations Plan

EMERGENCY OPERATION PLAN

MP# 102366 EP Plan

January 23 2018

MISSION STATEMENT

We provide your best energy and conservation solutions.

OCCUPATIONAL HEALTH AND SAFETY

Oakville Hydro (OH) is committed to the health and safety of its employees and the public. Protection of employees from injury and occupational disease is our top priority. OH will maintain a safe and healthy work environment by establishing a health and safety system which follows standard utility practices and applicable health and safety legislation. The design, operation and maintenance of the OH Safety System must put into practice engineering health and safety principles that take into account the health and safety of employees.

The above will be accomplished through a health and safety system that incorporates:

- Development of a corporate health and safety plan, which provides a broad outline of health and safety programs.
- Programs that clarify expectations for management and staff, and program development aimed at meeting needs identified through experience, assessments and audits. A primary expectation is that managers and supervisors must ensure that workers, under their supervision, work in compliance with all established safe work practices and procedures.
- Training of management and staff that develop the knowledge, skill and ability to meet the expectations of legal requirements, standard safe practices, and OH programs.
- Communication by management of the corporate health and safety plan and programs that will encourage all staff to bring forward ideas on improving health and safety.
- Regular evaluations of health and safety performance as a basis for continuous improvement.
- It is OH's ultimate objective to eliminate injury and illness in the workplace and promote the health and wellbeing of all employees. To this end, all employees must perform their jobs in accordance with established rules and regulations of government, safety associations, and corporate programs.

GUIDING PRINCIPLES

OH responds to many types of incidents and requests for service. In the case of an internal incident, the President/Chief Executive Officer will take the lead role in the safe and efficient mitigation of the incident. The Chief Operating Officer (COO) will provide all necessary assistance and support to the President/CEO.

When an external emergency occurs, the President/CEO will take the lead role in the safe and efficient response to the incident. The COO will provide the necessary assistance to support the President/CEO.

In order to meet the needs of any emergency, the first priority must be the safety of all staff who is responding to said emergency. The ability of OH staff to perform their jobs to the best of their ability is dependent upon their safety.

All normal OH safety rules, procedures and programs will continue to apply during any municipal or OH emergency. Along with these rules all the rules, procedures and guidelines in the Occupational Health and Safety Act, the Electric Utility Safety Rules and the ISHA Safe Practice Guides must be followed.

OAKVILLE HYDRO
EMERGENCY PLAN
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Section No. Description

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G. STANDARD OPERATING PROCEDURES

G.1 Executive Standby (OEC) Plan
G.2 Control Room Outage Response
G.3 OH Interruption Directions

1.0 INTRODUCTION

This Emergency Plan is intended to serve as a **GUIDELINE** for OH staff who may be required to respond to and mitigate the effects of an emergency impacting the delivery of electricity to the residents of the Town of Oakville.

An operating agreement is in place with Hydro One Networks Inc. to manage the supply of electricity to our facilities. This agreement is in the form of a Transmission Connection Agreement-Distribution Connection Agreement (TCA-DCA). Our Conditions of Service manages the delivery of electricity from our facilities.

Putting the safety of OH employees first provides them with the ability to perform their jobs in a manner that will resolve the emergency situation as quickly and safely as possible. To this end, all safety rules and programs apply during any emergency situation. **Employee safety is not to be compromised at any time in an attempt to mitigate an emergency.**

2.0 DECLARATION OF AN EMERGENCY

2.1 AUTHORITY

This Emergency Plan has been developed under the authority of the Board of Directors of OH. It is intended to support an OH emergency situation regardless of whether the Head of Council of the Town of Oakville or the Regional Municipality of Halton had declared an Emergency.

2.2 TOWN OF OAKVILLE & REGION OF HALTON EMERGENCY

During a Declared Emergency the Head of Council is responsible for all actions carried out on behalf of the municipality, to respond to any emergency within the municipal boundaries. The Head of Council is assisted in this task by various municipal departments and organizations that serve as an Emergency Control Group. The role of the group is to advise the Head of Council regarding appropriate actions.

The Town of Oakville and Region of Halton Emergency Plan documents the roles and responsibilities of the various municipal agencies that may be required to respond. A copy of the contact list of the Emergency Alerting System for the Emergency Control Group is located in Appendix B.4.

Once an Emergency has been declared, the Head of Council has the legislative authority to take any lawful action and use any resources necessary to mitigate the effects of the emergency. Staff must be aware that they may be required to perform non-traditional tasks in the emergency.

2.3 OH INTERFACE WITH THE MUNICIPAL EMERGENCY PLAN

OH is one of a number of key Town agencies that compose the Emergency Control Group (See Appendix B.4). The role of the Emergency Control Group is to provide advice on their area of expertise to the Oakville Emergency Management Committee and provide assistance as required.

The COO will represent OH at the Emergency Control Group. The Director Distribution Operations will serve as the alternate. The OH representative is expected to respond at any time when requested by the Emergency Control Group.

A Town of Oakville or Halton Regional emergency is not necessarily an OH emergency. The scale of assistance required by the municipality from OH may be accommodated within normal utility operations. The CEO is also a member of the Town Emergency Planning Advisory Committee that provides technical input to the development of community Emergency procedures.

2.4 DECLARATION OF AN OH EMERGENCY

An OH emergency may be declared when an event occurs that prevents normal service from being restored to customers within a reasonable length of time by our own internal resources. The President/CEO, or in his absence the COO, will declare an OH Emergency.

Refer to Appendix G.1 Standard Operating Procedure- Executive Standby (OEC) Plan
Refer to Appendix G.2 Control Room Outage Response
Refer to Appendix G.3 OH Interruption Direction

The three levels of emergencies we might encounter are:

- Level 1 ***Incident*** – Initiated by the Operator on Duty. Operator advises Outage contacts of a Level 1 ***Incident Declaration***

- Level 2 ***Emergency*** - Operator on duty advises Outage contacts that conditions meet or are approaching the requirements of a Level 2 ***Emergency Declaration.*** During regular hours the Supervisor in charge notifies the Senior Management Team. After hours the Operator on duty notifies the SLT standby. A decision is made at the Senior Management level and a Level 2 ***Emergency Declaration*** is issued.

- Level 3 ***Emergency***- Supervisor on duty advises Outage contacts that conditions meet or are approaching the requirements of a Level 3 ***Emergency Declaration***. During regular hours the Supervisor in charge notifies the Senior Management Team. After hours the Operator on duty notifies the SLT standby. A decision is made at the Executive Management level and a Level 3 ***Emergency Declaration*** is issued.

- Level 1- no meetings required, Communications may decide to prepare draft releases. Slightly more than "regular business".

- Level 2 - meetings *may be* required with Emergency Organization to manage the event (phone, email, face to face). All staff, Region and Town to be notified. Additional resources considered. Regular business *may be* suspended and staff redeployed to support restoration efforts.

- Level 3 – regular meetings with Emergency Organization required to manage the event, command centre set up. All staff, Region and Town notified. Additional resources required. Regular business suspended and staff redeployed to support restoration efforts.

- Level 1 Incident – <200 customers for more than 4 hours *or* > 200 customers for more than 2 hours *or* >5,000 customers

- Level 2 Emergency <2,000 customers for more than 4 hours but less than 8 hours *or* <200 customers for more than 8 hours *or* > 5,000 for less than 2 hours. If Level 2 thresholds are exceeded SLT can decide to remain at Level 2.

- Level 3 Emergency – conditions that exceed level 2

	<2hrs		>2hrs	>4hrs	>6hrs	>8hrs	>12hrs	>24hrs
	Initial System Response (10min)	Crew Dispatch						
0-200		0	0	1	1	2	3	3
200-2000		0	1	2	2	3	3	3
2000+		1	2	2	3	3	3	3
5000+		2	3	3	3	3	3	3
Level 1								
Level 2								
Level 3								

*The duration thresholds do not include a reasonable period of assessment.
*Customers includes count of bulk metered units

When an Emergency has been declared the OH Emergency Organizational Structure will be implemented.

All OH staff must be aware that once an OH Emergency has been declared it may be necessary and appropriate to suspend some routine services. This will allow staff to be redeployed in order to meet the needs of the utility.

2.5 NORMAL OPERATING READINESS

OH operates on a 24 hour-a-day, 7 day-a-week schedule. The Control Room is staffed by qualified Operators on a 12-hour rotating shift schedule.

These operators provide prompt response to emergency and other power system related customer calls and have field crews available on standby after hours. This staff is supported by off duty crews that make major repairs if the need arises.

All-switching operations are under the directions of the Control Room and provide guaranteed isolation to staff and customers who are working on the power system.

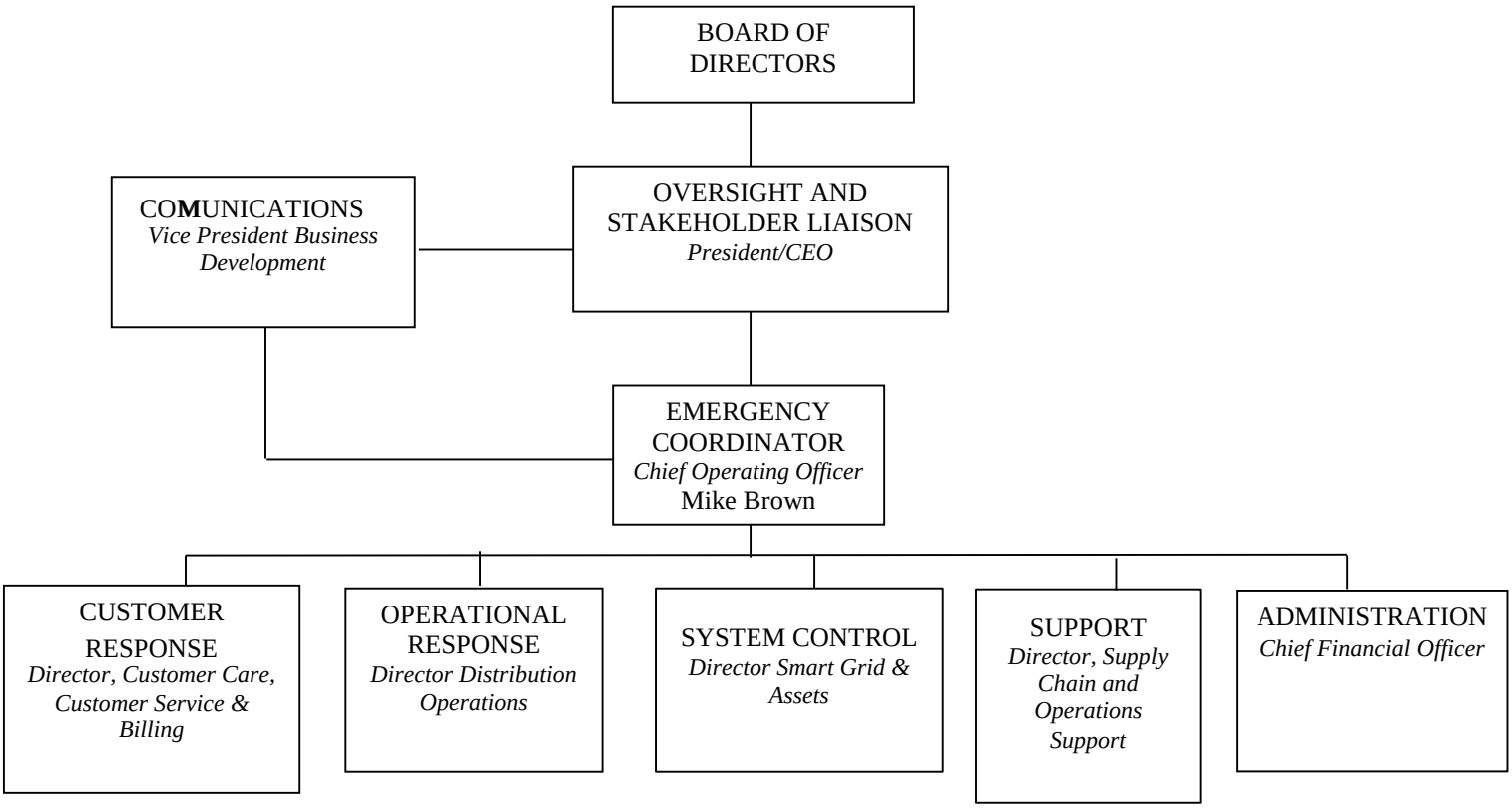
2.6 OH EMERGENCY STRUCTURE

Under normal operating conditions, the responsibility for responding to routine events (e.g. power interruptions) and dispatching work crews to rectify these problems is that of the Operations Department. The task of repairing and restoring facilities is the responsibility of P&C or Building Services, with technical advice provided by the Engineering Department.

In a formal Emergency this same basic structure will remain intact, although the size and scope of the organization may change temporarily to deal with the emergency. Different functions will be compartmentalized and management supervision provided. Additional resources or manpower will be allocated to various functions as required. This may be accomplished by redirecting the duties of our own staff in the various business units and by obtaining the assistance of outside contractors or utilities.

Refer to Appendix A.6 - Outside Line Specialists (underground)
Refer to Appendix A.5 - Outside Line and Tree Specialist (overhead)
Refer to Appendix B.3 - Mutual Aid

OH EMERGENCY ORGANIZATIONAL STRUCTURE



The Emergency Organization will be directed by the Emergency Coordinator and will be comprised of eight major groups:

- Emergency Coordinator
- Communications
- Customer Response
- Operational Response
- Support
- Administration
- Oversight and Stakeholder Liaison
- System Control

2.6.A **Emergency Coordinator:** Chief Operating Officer
Alternate: Director Distribution Operations

The Emergency coordinator will be responsible for:

- The overall response to the emergency and set priorities for response and restoration in conjunction with the needs of the Town/Region Emergency Control Group.
- Resolving Health and Safety issues in coordination with the Director, Health, Safety & Environment.
- The contact point for the IESO in the event of an electrical emergency.

2.6. B **Customer Response:** Director, Customer Care, Customer Service and Billing
Alternate: Manager Customer Service & Billing

This group is responsible for:

- Customer contact and entering information in to OMS and GP
- Updating of the Control Room and Dispatcher on volume of calls
- Providing updated information to Emergency Coordinator

2.6. C **Operational Response:** Director Distribution Operations
Alternate: Line Supervisor

This group is responsible for:

- Restoring service and repairing plant in accordance with the information available from the Customer Response Group and Dispatcher
- Assessing the scope of work to be completed and ensuring adequate resources are available to meet the task
- Consulting with the Emergency Coordinator regarding the need to bring in additional resources
- Directing and administering outside forces such as contractors and other utilities with assistance from the Administration/Support Group
- Ensuring that safe work practices are followed

2.6. D **Support Group:** Director, Supply Chain and Operations Support
Alternate: Chief Financial Officer

This group is responsible for:

- Securing necessary material as required through Purchasing
- Accommodations and meals for internal and external forces

2.6.E **Administration Group:** Chief Financial Officer
Alternate: Corporate Controller

This group is responsible for:

- Finance and accounting issues
- Tracking costs for labour and equipment

2.6. F **Communications Group:** Vice President, Business Development
Alternate: Manager, Communication and Marketing

This group is responsible for:

- Providing on-going information on the emergency to the public through local media(vetted by the CEO)
- Provide information updates to staff and outside workers.
- Providing background information to critical customers such as hospitals, major industries and municipal services
- Establishing a liaison with the Town/Region Public Information Officer in collaboration with the CEO
- Monitoring and updating social media

2.6. G **Oversight and Stakeholder Liaison**: President and Chief Executive Officer
Alternate: Chief Operating Officer

This group is responsible for:

- Official spokesperson with the support of the Communications Group
- Approval of communications to the media, Board and Town
- Ongoing liaison with the Mayor, Councillors and Board

2.6. H **System Control:** Director Smart Grid and Assets
Alternate: System Control Supervisor

This group is responsible for:

- Administering work protection
- Operating the system
- Controlling authority of the system

2.7 CONTROL ROOM

The Control Room is fully equipped and staffed with Operators as a 24 hour-a-day operation. The facility features multiple phone lines, secure power supplies with UPS and multiple communications capabilities. A stationary generator backs up critical systems in the building including the SCADA system. In the event of an emergency requiring the main operations building to be evacuated OH has the capacity to operate SCADA remotely from Glenorchy MTS. The decision to do so will be made by the Emergency Coordinator in communication with the Director Smart Grid and Asset Management and the Director Distribution Operations.

2.8 RESPONSE TO TROUBLE SITUATIONS – ESCALATION TO EMERGENCY STATUS

It is expected that the strategies for responding to trouble situations during an emergency will remain the same as during normal operating conditions, however, staffing will be redeployed to meet local needs and circumstances.

The initial response to trouble calls is handled by Customer Service (answering service after hours). The crews are dispatched by Operations to make repairs as required. It may be necessary to supplement staffing with Engineering Department Supervision to assist with the direction of the crews in the off-hours if the volume of calls requires three or more crews. The Director Distribution Operations is to be notified of abnormal operating situations by the Operator. Management staff is responsible to decide if outside resources are needed and if a formal OH Emergency is to be declared.

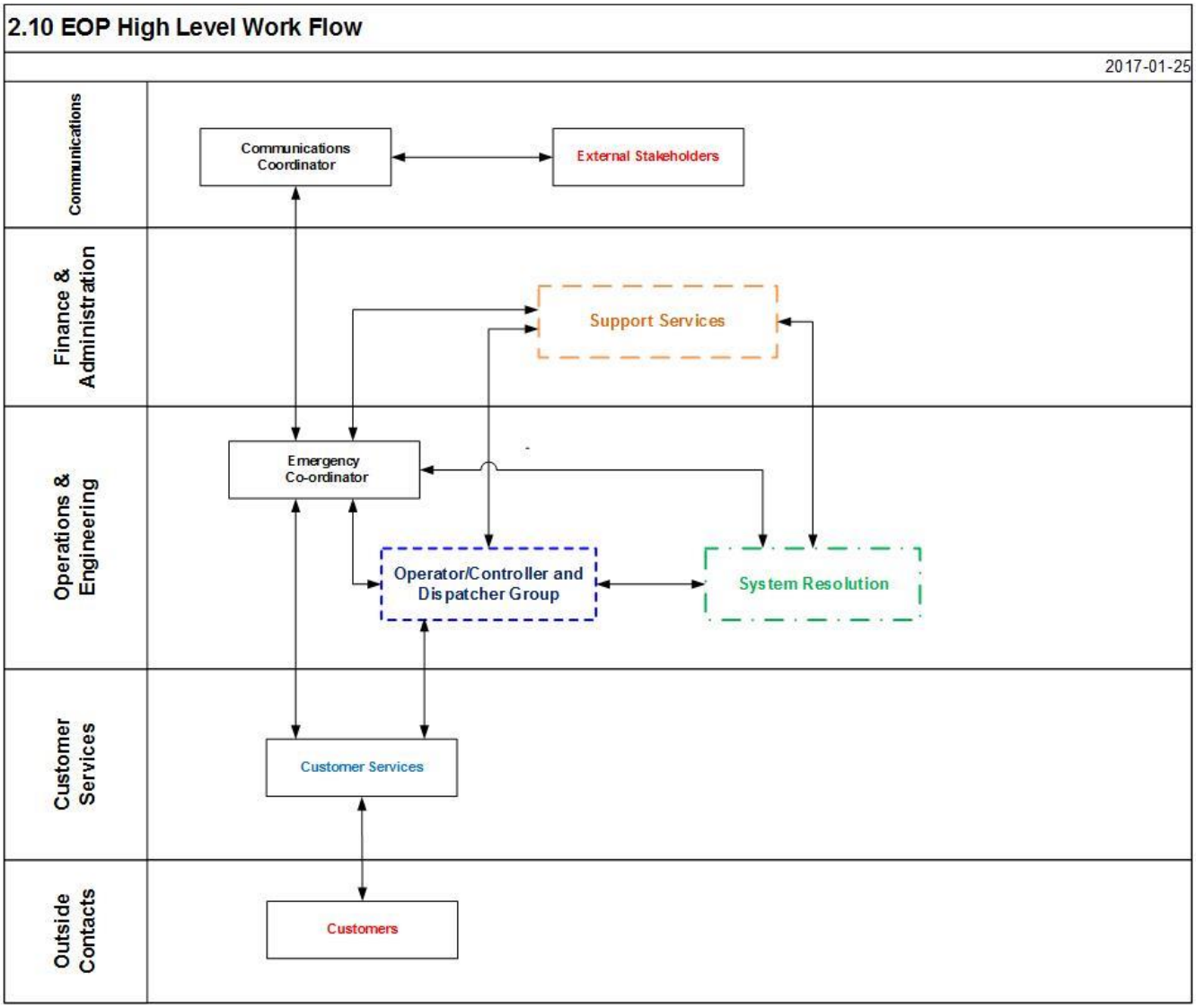
The President/CEO is responsible for notifying the Mayor, or in his absence the Town of Oakville CAO, of any Hydro Emergency so that they may make their own decisions whether a Town or Regional Emergency is to be declared.

Refer to Town of Oakville Emergency Plan - Appendix B4.1
Refer to Region of Halton Emergency Plan - Appendix B4.2

2.9 TROUBLE CALL MANAGEMENT SYSTEM

Calls for assistance from the public are managed through Customer Service. They will log all incoming calls, and identify follow-up action and billing notification. The Operations Department is responsible for tracking the assignment and the progress of each repair.

2.10 WORK FLOW



High level detail see Appendix G

2.11 TERMINATION OF AN EMERGENCY

The President/CEO will terminate an OH Emergency. The decision to terminate will be made in conjunction with the Emergency Coordinator and the Town or Regional Emergency Control Group if a Town or Regional Emergency exists.

3.0 COMMUNICATIONS

3.1 OH SPOKESPERSON

The President and CEO is the OH Spokesperson as outlined in 2.6.F

3.2 CUSTOMERS

Once it has been determined that a major incident or emergency has occurred, the Communications Group will ensure that a public information release has been prepared for the benefit of OH customers.

Depending on the nature of the incident, it may be necessary for Customer Service Department staff to add a recorded message to the OH public access telephone numbers. This process is outlined in Appendix A.11.

3.3 MEDIA

Information released to the various media platforms will be through the Communications group following the Communications Plan.

In an emergency situation where a Town/Region Emergency has been declared, Media Releases on the hydro situation may be released through the media at the Town of Oakville Emergency Operations Centre or the Region of Halton Emergency Operation Centre.

3.4 EMERGENCY NOTIFICATION FOR EMPLOYEES

In some instances it may be unsafe for staff to report to their regular work location or staff may need special instructions prior to reporting for duty. A system has been put in place to contact employees after normal business hours for emergency duty via telephone using the Positions and Duties Listing – Appendix E. Roles and Responsibilities
Phone number is in place for Employees to call for emergency instructions.

All Managers and Supervisors must have a current copy of this EOP available at all times.

3.5 OTHER AGENCIES

When a major event occurs, the Control Room shall make the appropriate notifications in accordance with OH policies and procedures

Halton Regional Police	905-825-4777
Oakville Fire Department	905-845-7114
Halton Ambulance	1-866-442-5866

3.6 MUNICIPAL OFFICIALS

See the “Emergency Alerting System For The Emergency Control Group” in the Appendix B.4.

4.0 INTERNAL EMERGENCY PROCEDURES

4.1 FIRE SAFETY PLAN – HEAD OFFICE

A Fire Safety Plan has been developed, and approved by the Oakville Fire Department.
See Appendix A.8.

4.2 SUBSTATIONS

A Fire Plan for all OH Substations is to be developed and posted in each Substation.

4.3 BUILDING EVACUATION PROCEDURE

Procedures for dealing with a situation requiring the evacuation of the Head Office Building are included in the Fire Safety Plan for the building.

4.4 BOMB THREAT PROCEDURE

Procedures for dealing with the evacuation of the building during a bomb threat situation are similar to the Fire Safety Plan for the Head Office Building.

4.5 WORKPLACE VIOLENCE PROCEDURE

See Violence in the Workplace https://oakville.compliancescience.ca/

4.6 INCIDENT REPORTING

Appendix A.13 covers the measures to be taken when an incident occurs in the OH workplace. The flow chart covers immediate steps to be taken, call for help using established "Mayday" procedures, administering first aid and notification of proper authorities to implement the necessary incident investigation and follow-up.

4.7 BUSINESS RECOVERY PLAN

The Business Recovery Plan can be found in our Pandemic Plan under Business Continuity

5.0 EXTERNAL EMERGENCY

5.1 MAJOR LOSS OF SUPPLY

5.1. a Definition

For the purposes of this plan, a major loss of supply occurs when there is a loss of supply to a large block of customers due to a Transmission or Transformer Station Failure. Repair of this type of problem is generally beyond the control of OH.

5.1. b Strategy

The Control Room is responsible for initiating procedures in response to a system failure that impacts widespread areas. The follow general strategies are to be employed.

- Obtain any available information on the cause of the outage from Hydro One
- Notify management staff who will be responsible for notifying municipal officials if the problem may continue for an extended period
- Begin switching to transfer interrupted loads to other supplies
- Communications will provide media with ongoing briefings by telephone and prepare media releases for widespread usage. Management will assist with communication with large customers and municipal officials to keep them apprised of the situation on an on-going basis.
- Alignment with the Ontario Electricity Emergency Plan which sets out requirements for coordination with the IESO

5.2 ROTATIONAL LOAD SHEDDING

Load Shedding requirements shall be determined by the Director, Engineering and Construction**.** Refer to Load Shedding procedures in Appendix F.

5.2. a Provincial

A plan has been developed to deal with situations where there is a shortage of electricity over a wide area. The plan calls for unannounced cuts to wide areas of customers on a rotational basis for periods of approximately thirty minutes. With the exception of the acute care hospitals and the water and sewage plants, few customers are exempted. The plan is largely administered by the Hydro One Control Center but the Oakville Hydro control room has had a stake in the plan since Glenorchy MTS came on line.

The responsibilities of the OH Operations staff are to follow and monitor the situation. Local media is to be notified that such a plan is in effect. Senior OH management staff is to be notified immediately so they may respond to assist with the media.

During a load shedding emergency, special arrangements with large industry to reduce loads may be required after two hours.

5.2. b Local

In the event of OH's inability to supply the necessary capacity to a local area on our system because of the temporary unavailability of equipment, it may be necessary to implement a localized rotational load shedding scheme in the area. Such a scheme would be an ad hoc plan implemented by the Operators to prevent overloading damage to the remaining supply facilities. Normally the rotation would be at a substation feeder level. The plan would remain in effect until equipment repairs or other corrective action can be made.

The Media should be notified before or as promptly as possible after implementing any local rotational load shedding. Customers should be notified through the web site and social media.

5.3 WIDESPREAD SYSTEM DAMAGE – STORM RELATED

Weather events in North America have shown that even with adequate prediction and warning, severe hydro utility infrastructure damage may occur as a result of severe or unusual weather events.

Refer to Section 2.0 Declaration of an Emergency

5.3. a Customer Response

Should widespread damage to the OH system occur customer response must be prioritized. Customers should be provided with accurate information concerning repair schedules and the timetable for the return of service. This information should be delivered from a prepared text provided by OH management and should also be provided to all area media channels in a timely manner.

5.3. b Critical Loads

A listing of critical loads is maintained by the Control Room (Appendix B.5 & B.6).

These lists are to be used in determining priority in restoring power to customers in situations when Oakville has this discretion.

Restoration strategies to restore the system from the top down and giving priority to the repairs that restore the most customers are to be used in wide spread outages. Only in unusual circumstances will repair of a small critical load take precedence over a major repair. The System Control Supervisor or supervisor on duty must be consulted in deviating from the standard restoration policy.

5.3. c Support Staff

A list of external support staff is provided in Appendices A.

5.3. d Materials

The OH Supervisor of Material Management will maintain an accurate inventory of critical in-stock materials required to maintain the OH infrastructure. In the event of widespread storm related damage, OH will be responsible to identify material needed in the repair effort for material support from private contractors, Mutual Aid utilities and twinned utilities. Purchasing will make the necessary arrangements to obtain the material.

5.3. e. Employee Support

Past events have demonstrated that employee productivity during major emergencies is only maintained at a high level when they know that their families' needs have been tended to and they are assured that their families are safe.

Employees must be encouraged to have their own Family Emergency Action Plan. This plan should be used when OH employees are required for campaign events of long duration such as storm recovery. The plan should prepare the families to deal with such issues as:

- Alternate Accommodation (out of town family/friends)
- Alternate Means of Transportation
- Emergency Repairs to Housing
- Financial Support
- Moral Support

In many cases, employee support can be provided by the families of co-workers.

5.3. f Administration of Outside Assistance

Administration of outside assistance will be the responsibility of the COO.

5.3. g Finance and Accounting

This function will take place through the normal course of financial management.

5.3. h Fleet

The fleet will be maintained by the Town of Oakville's fleet mechanics or other vehicle service providers as required.

5.4 MUTUAL AID PROGRAM

5.4. a Electrical Utility Mutual Aid Program

For the purposes of electrical utilities, mutual aid means an agreement between two or more participating hydroelectric utilities. The agreement allows for assistance to be provided to the participants on an "as needed" basis. The utility requesting assistance must have adequate resources to meet their day-to-day needs and are responsible for all costs incurred by the utility or utilities providing assistance.
See Appendix B.3.

Mutual Aid Agreements have been established with the following groups:

- CEA
- Hydro One
- Grid Smart City

When the need for additional resources is required the Director Distribution Operations will advise the COO who will make contact and request assistance from the Mutual Aid Partners.

5.4. b Twinning of Electrical Utilities

Twinning of utilities located in separate geographic areas has been an effective strategy for small utilities that are often unable to obtain help in a widespread emergency situation. Several utilities from different geographic locations are listed in the Mutual Aid Agreements.

5.5 PROVINCIAL EMERGENCY

Refer to the IESO's Ontario Electrical Emergency Management Plan.
http://www.ieso.ca/rules/-/media/456d6616c3d54fc78b12c2c16ae227e5.ashx

5.6 ENVIRONMENTAL INCIDENTS

OH exposure to environmental incidents is generally limited to spills or releases of transformer oil or smoke from burning equipment into the environment. All transformers on the system have been tested for PCB content and any unit exceeding 50 PPM has been removed from service. Releases of PCB oil will not be an issue from these units.
See Appendix C for Primary Metering Units and Substation locations

Occasionally spills can occur when transformers are subjected to abnormal service conditions; e.g. lightning strikes, extreme overloads, vehicle accidents etc. Documented procedures for containing, cleaning up and reporting oil spills are in place and have been distributed. See EP-4-4-7-02 - Insulating Oil Spills or Smoke Release to the Natural Environment Procedure Instruction on Compliance Science. A special trailer equipped with containment material is available for the express purpose of dealing with oil spills. All spills are documented in written form by the Control Room with the information provided by the field crews. All spills are reported to the Region, the Town and MOE.
See Appendix A13

A regular maintenance program is set up to inspect large station transformers to identify minor leaks for prompt repair.

5.7 DAMAGE TO CUSTOMER EQUIPMENT

When damage occurs to customer equipment, for whatever reason, the customer is responsible for arranging the necessary repairs by qualified electrical contractors and arranging for an inspection clearance by the Electrical Safety Authority. Most customers with high voltage equipment have service contracts with their own contractors.

A LIST OF QUALIFIED CONTRACTORS ARE INCLUDED IN APPENDIX A.2 OF THIS EMERGENCY PLAN

Customers are encouraged to obtain their own contractor and obtain competitive estimates before authorizing the work. However, in emergency situations for customers requiring assistance, our Operating Staff may provide lists of potential repair contractors if requested by the customer. OH does not endorse any particular contractor over another.

A procedure to obtain the services of the Electrical Safety Authority in emergency situations is included in the Appendix B.1 of this plan.

Many contractors have preauthorized clearance from the ESA to reconnect customers after emergency repairs have been completed. No customer will be reconnected without ESA inspection clearance.

6.0 FACILITIES

6.1 POWER SUPPLY

6.1. a Head Office

An underground 27.6KV feeder from Bronte T.S, as well as an alternate supply from the Oakville T.S supplies the Head Office building - 861 Redwood Square. In the event of a supply failure, OH Operations can transfer the supply to the loop circuit within minutes.

The building has a permanent standby generator installed. Under maximum load conditions it is possible to shed enough load to match the generator supply without disrupting OH business operations.

Critical building loads also have UPS backups.

6.1. b Control Room

The control room power is completely supplied by the generator during power outages.

6.1. c Communications Room

The switching equipment for the fibre optic communications network is supplied from the building source. Critical devices are also supplied by a UPS.

In the event of a total power interruption, the telecommunications equipment will be energized from the generator.

6.2 COMMUNICATIONS EQUIPMENT

6.2. a Telephone

The responsibility for maintaining the phone system is that of Information Technology

6.2. b Cellular Phones

Cellular phones are in widespread use throughout OH. They provide the backup means of communications in the event of the failure of the main telephone exchange or the mobile radio system.

6.2. c OH Voice Radio System

Voice radio communications are conducted on a conventional two-channel VHF FM radio system:

- Channel 1 ~ General Operations

- Channel 2 ~ Point to Point (Work Site)

The main transmitter is located at 3240 Trafalgar Road. Due to the number of cell phones now in use by our staff, the loss of radio communications is an inconvenience but not a critical issue. In the event of a power failure at the main transmitter site, battery backup will maintain service for up to one hour. Protection and Control crews are to be called out to establish back-up power with a portable generator if the outage will exceed one hour.

Maintenance and repair of the Radio System is the responsibility of the P&C Supervisor. Protection and Control Crews are available to make repairs.

6.3 HEATING, VENTILATION AND AIR CONDITIONING

Building services staff are responsible for the on-going operation of the HVAC system. The HVAC is partially functional during power interruptions. Building services staff are required to maintain a list of HVAC contractors and are authorized to contact the necessary contractors to perform repairs on the HVAC system.

The critical mechanical systems have been connected to the generator. This design feature would enable these critical functions to continue operation in the event that a fire or other malfunction disabled the buildings main 600 Volt distribution system. Building Services is responsible for arranging fuel delivery for the generator. Refer to Appendix C.3 for Emergency Phone Numbers - Redwood.

6.4 VEHICLE FUEL

OH has a card system for fueling at

- Town of Oakville Central Operations Yard – 1140 South Service Road West
- Town of Oakville East Depot -1150 Cornwall Road.
- Town of Oakville North Operations – 3250 Neyagawa Blvd

6.5 CRITICAL RISKS

6.5. a Substation Batteries

In the event of a wide area, long-term failure, the batteries in the municipal substations will begin to slowly lose their charge. If there is no breaker operations the batteries can last for several days. Switching operations can alter this capacity quickly. This battery capacity is required to operate circuit breakers in a "Black Start" situation. The P&C Supervisor is responsible to monitor these batteries and ensure that they are charged using portable generators on a rotational basis during any prolonged outage.

6.5. b Computer System

The responsibility for maintaining the computer system is that of Information Technology.

6.5. c U.P.S. (Uninterrupted Power Supply)

The responsibility to maintain U.P.S's is that of Information Technology.

6.5. d SCADA Systems

The SCADA system is critical for the administration of the power system. The system is fully redundant operating on dual computers such that the failure of a single system component will not cause the system to fail.

In the event of a failure of the SCADA System, Protection and Control troubleshoots the application with support from Information Technology.

7.0 DISASTER RECOVER PLAN

Information Technology maintains a Disaster Recovery Plan that covers the computer network.

8.0 EMERGENCY PLAN ADMINISTRATION

8.1 RESPONSIBILTY FOR THE PLAN

The development and effectiveness of the OH Emergency Plan is the responsibility of the COO.

8.2 PLAN DISTRIBUTION

When the plan is amended or the appendices are updated, notice of the amendment and/or any changes shall be provided to every person who has been issued a copy of the plan. All staff members in possession of this plan are responsible to ensure that amendments and changes are added promptly. They are also responsible for keeping a copy of the plan at home and be aware of where the office copies are stored.

- *Customer Service outside of Manager's office*
- *Engineering book shelf*
- *Operations Supervisor office*
- *Director Distribution Operations office*
- *Finance Boardroom bookshelf*

8.3 MAINTENANCE OF THE PLAN

This Emergency Plan shall be updated annually. All section managers should submit proposed changes to the plan to the COO for annual review. The COO will coordinate this review prior to the end of each calendar year.

8.4 TRAINING AND EXERCISING THE PLAN

All personnel with responsibility identified in this plan shall be trained to fulfill their responsibilities. All staff must ensure that they clearly understand their roles and responsibilities under the Emergency Plan.

All or portions of this plan must be exercised on an annual basis. Each exercise must be debriefed and critiqued. A brief written summary of the debriefing shall be distributed to all staff participating in the exercise.

8.5 AUDITING OF THE PLAN

OH is required to prepare and maintain a formal Emergency Plan for review by the IESO.

The effectiveness and efficiency of this Emergency Plan must be audited internally on an annual basis. It is recommended that the audit be completed prior to the end of the calendar year. Any amendments or recommendations arising from the audit should be forwarded in writing to the COO for consideration in the Emergency Plan maintenance process.

9.0 HEALTH AND SAFETY

In the normal course of their duties, OH staff operates in compliance with several standards and regulations. These include: the Occupational Health and Safety Act (R.S.O.), The Electrical Utilities Safety Rules, the Safe Practice Guides (IHSA), the OH Operating Manual and Work Procedures, the OH Health and Safety Manual.

OH Staff and other emergency responders are responsible for providing a service that is complete and effective during an emergency. They may only do so if their safety is effectively maintained. All OH safety rules and programs continue to apply during an emergency.

All existing procedures for Work Protection from the Operating Department will remain in place for issuing "Hold offs, Markups and Condition Guarantees". Outside utility crews or contractors will normally be assigned a qualified OH staff person to assist in obtaining necessary Work Protection. Work Protection will be issued directly to outside contractors only after they have received proper training on procedures and are deemed qualified by OH.

10.0 INDIVIDUAL ROLES AND RESPONSIBILITIES

See Appendix E

11.0 CRITICAL LOAD REQUIREMENTS

See Appendix F