ONTARIO ENERGY BOARD
File No. EB-2018-0165
Exhibit No. K6.1
Date July 8, 2019 jfs

EB-2018-0165

Toronto-Hydro Electric System Limited

AMPCO Compendium

Panel 2

RESPONSES TO ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO INTERROGATORIES

INTERROGATORY 128:

Reference(s): Exhibit U, Tab 4A, p. 2

THESL indicates it hired a lower number of FTEs in 2018 than the utility forecast.

Please provide a table that sets out the forecast number of FTEs for the years 2013 to 2018 compared to actuals in the 2-K FTE categories: Executive, Managerial, Non-Management/Non-Union, Contract for a Defined Term, Society and PWU.

RESPONSE:

For this Application, Toronto Hydro forecasted FTEs for 2018-2020 and provided an extrapolated FTE forecast out to 2024 in response to interrogatory 4A-SEC-87. The actual FTEs for 2015-2017 are filed in OEB Appendix 2-K (Exhibit 4A, Tab 4, Schedule 1) in accordance with the Filing Requirements. With respect to the 2018 forecast vs. 2018 actual FTEs, please see Exhibit U, Tab 4A, Schedule 3 and Toronto Hydro's response to interrogatory U-VECC-87 part (b).

Detailed trend analyses are included in OEB Appendices 2-JA, 2-JB, 2-JC, and 2-L to this schedule.

Table 1, below, provides a breakdown of Toronto Hydro's Historical (2015-2017), Bridge (2018-2019), and Test Year (2020) OM&A expenditures, by program. Descriptions of each program, including details about cost drivers, cost control measures taken by Toronto Hydro, and year-over-year variance analyses, are contained in Exhibit 4A, Tab 2, Schedules 1 through 21.

Table 1: Historical, Bridge, and Test Year OM&A Expenditures by Program ($ Millions)[2]

OM&A Program	2015 Actual	2016 Actual	2017 Actual	2018 Bridge	2019 Bridge	2020 Test
Preventative and Predictive Overhead Line Maintenance	6.3	7.6	6.7	6.6	6.8	6.0
Preventative and Predictive Underground Line Maintenance	2.6	2.9	3.2	4.5	5.2	5.5
Preventative and Predictive Station Maintenance	5.6	5.3	5.6	5.4	5.6	5.6
Corrective Maintenance	16.1	16.8	20.3	17.0	17.0	17.2
Emergency Response	16.4	15.2	15.9	16.4	16.5	16.6
Disaster Preparedness Management	2.3	2.4	2.2	2.6	2.8	2.7
Control Centre Operations	5.4	5.4	6.3	7.8	8.7	8.7
Customer-Driven Work	10.2	10.0	11.6	9.9	9.6	9.6
Asset and Program Management	11.2	18.1	11.5	14.8	14.7	13.1
Work Program Execution	19.5	19.5	20.5	19.1	20.3	21.8
Fleet and Equipment Services	10.1	9.8	11.0	10.9	11.0	11.0
Facilities Management	27.4	27.8	25.3	23.2	23.4	24.0
Supply Chain Services	10.4	13.4	11.4	11.7	12.3	12.6
Customer Care	41.0	38.1	39.6	43.0	44.0	49.4
Human Resources and Safety	14.1	15.2	14.7	15.2	15.5	15.9
Finance	16.1	15.0	13.6	15.9	16.2	16.2

[2] Numbers may not sum due to rounding.

OM&A Program	2015 Actual	2016 Actual	2017 Actual	2018 Bridge	2019 Bridge	2020 Test
Information Technology	34.4	35.0	38.4	41.7	43.5	44.0
Legal and Regulatory	12.1	13.4	14.0	15.3	15.1	15.9
Charitable Donations and LEAP	0.7	0.9	0.8	0.8	0.8	0.9
Common Costs and Adjustments	1.1	(0.1)	1.6	(0.7)	(1.3)	0.8
Allocations and Recoveries	(19.0)	(21.9)	(18.9)	(20.1)	(20.0)	(19.9)
Total OM&A	**244.0**	**249.8**	**255.3**	**261.2**	**267.6**	**277.5**

Toronto Hydro's 2020 OM&A plan was an output of its outcomes-oriented, customer-focused business planning activities. The development of the OM&A plan was informed by a number of factors, including operational needs (e.g. requirements relating to asset investment, maintenance, and staffing), legislative and regulatory obligations, the Outcomes Framework, and Customer Engagement. The OM&A plan was constrained by the strategic parameters established for the business plan, including upper limits on the 2020 OM&A budget and the cap on the average annual increase to base distribution rates (see Exhibit 1B, Tab 1, Schedule 1).

Toronto Hydro's OM&A plan was developed in accordance with the utility operating under an Incentive Regulation Mechanism ("IRM") framework for non-capital expenditures. For 2021 to 2024, funding for OM&A is constrained by the proposed rate framework, which includes the OEB's current inflation factor methodology, stretch factor methodology set on the basis of PSE's cost benchmarking study,[3] and current productivity factor policy.

Toronto Hydro used both general and specific cost and economic assumptions in its forecast of 2020 OM&A costs. The forecast for compensation costs considered previous

[3] See Exhibit 1B, Tab 4, Schedule 2.

- **IT Governance:** The expected variance is primarily attributable to an increase in program costs in the areas of data governance and incident, problem and change management, including the implementation and oversight of Toronto Hydro's evolving data management standards, practices, process, and technologies.

4.2 Cost Control and Productivity Measures

Toronto Hydro works to ensure that costs are contained. To this end, the Program employs several strategies, including: (i) working directly with internal clients to limit the number of licenses that are purchased and maintained; and (ii) in contracting external services, Toronto Hydro will go to market, where possible. For example, an additional $0.5 million in savings were realized in the telecom maintenance contract when Toronto Hydro changed vendors and was able to negotiate more favourable terms.

In addition, for the period 2016 through 2018, employee costs are expected to remain relatively stable and increase at a rate less than inflation. A number of employees who depart from the utility (whether through retirements or attrition) will not be replaced.

5. SECURITY AND ENTERPRISE ARCHITECTURE SEGMENT

5.1 Segment Description

The Security and Enterprise Architecture segment manages and oversees Toronto Hydro's corporate Information Technology portfolio, implements utility-wide IT architecture practices, and identifies and manages key enterprise IT risks, such as threats to cyber security. The segment performs several key functions:

- Establishes corporate IT standards, policies, and enterprise architecture principles;

WORKFORCE STAFFING AND COMPENSATION

Toronto Hydro's workforce and compensation evidence is detailed in Exhibit 4A, Tab 4. This schedule provides a summary of the 2018 actual compensation costs and explains the materials variances resulting from the 2018 actuals.

1. Employee Cost Breakdown (OEB Appendix 2-K)

Toronto Hydro's updated historical (2015-2018) and forecast (2019-2020) staffing levels and compensation costs (i.e. OEB Appendix 2-K) are filed as Appendix A to this Schedule. A more detailed view of the compensation table broken down by employee category is provided in Appendix B.[1]

2. Compensation Costs

Table 1 below summarizes Toronto Hydro's total compensation costs, which include base salary wages, overtime and incentive payments, and actual and accrued benefits.

Table 1: Total Compensation ($ Millions)

Year	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Bridge	2020 Test
Management (including executive)	15.9	18.1	19.2	20.0	20.3	21.0
Non-Management (union and non-union)	195.2	194.3	197.3	197.7	215.2	223.2
Total	**211.1**	**212.4**	**216.4**	**217.7**	**235.5**	**244.2**

[1] For 2018, IT professionals were non-unionized. The breakdown provided here does not include the IT professionals in the Society union category.

RESPONSES TO OEB STAFF INTERROGATORIES

INTERROGATORY 166.12:

Reference(s): Multiple Interrogatory and Undertaking Responses

a) Please update the following interrogatory responses to include 2018 actuals (and revised 2019 forecasts) as appropriate:

xii) 4A-Staff-131 / part (b)

For all interrogatories and undertakings where excel spreadsheets have been previously provided, please provide updated excel spreadsheets.

RESPONSE:

Please see the updated table below.

Table 1: Third-Party Service Provider Costs ($ Millions)

2015 Actual	2016 Actual	2017 Actual	2018 Bridge	2018 Actual	2019 Bridge	2020 Test
385.6	398.5	398.3	370.9	383.1	365.0	417.7

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 76:

Reference(s): Exhibit 4A

Please provide the percentage of Toronto Hydro's OM&A expenses for each year between 2015 and 2020 that are undertaken by third-party contractors, broken down by operations, maintenance and administration.

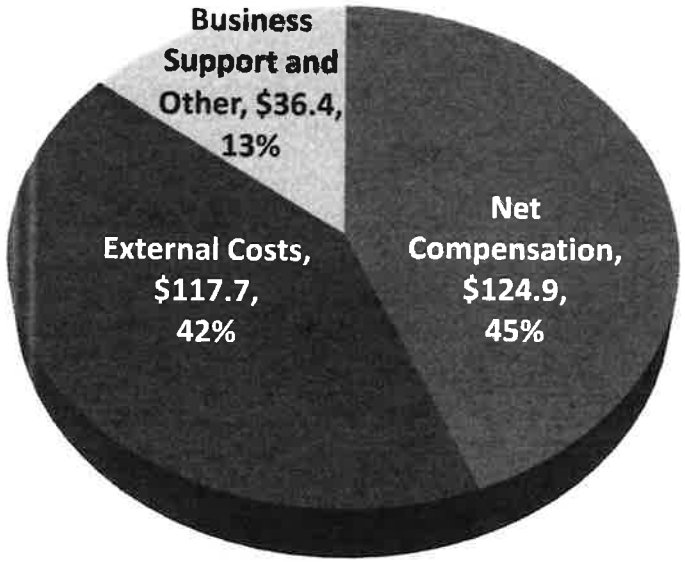
RESPONSE:

Please see Table 1 below.

Table 1: Percentage of Third-Party Contractors Cost in OM&A

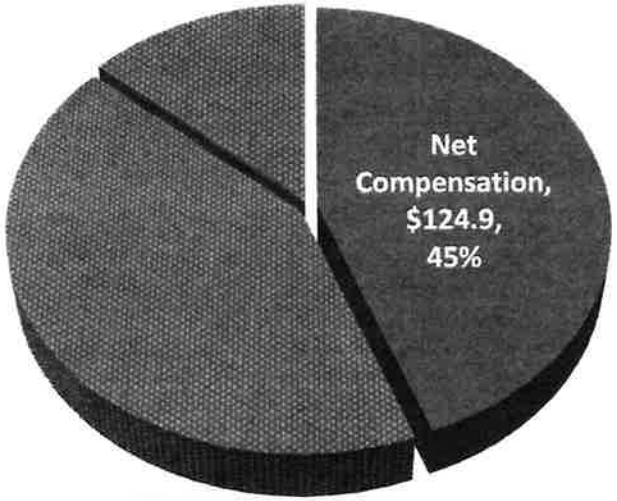
	2015 Actual	2016 Actual	2017 Actual	2018 Bridge	2019 Bridge	2020 Test
Operating Expenses	30.8%	29.8%	42.7%	39.2%	37.7%	35.0%
Maintenance Expenses	36.8%	41.5%	45.7%	40.3%	38.8%	38.3%
Administrative Expenses	35.2%	39.3%	38.4%	39.0%	39.7%	40.3%
Percentage of Total OM&A	**34.8%**	**37.7%**	**41.2%**	**39.4%**	**39.0%**	**38.7%**

Operating Expenses



($ Millions)	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	Variance
Net Compensation	120.6	132.3	121.9	124.9	3.0
External Costs	105.9	108.0	109.0	117.7	8.7
Business Support and Other	39.8	36.7	43.0	36.4	(6.6)
Total Operating Expenses	**266.3**	**277.0**	**273.9**	**279.0**	**5.1**

Compensation



($ Millions)	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	Variance
Payroll	173.1	188.4	172.6	179.4	6.8
Benefits	47.2	53.2	48.3	52.5	4.2
Capitalization	(99.7)	(109.3)	(99.0)	(107.0)	(8.0)
Net Compensation	**120.6**	**132.3**	**121.9**	**124.9**	**3.0**

- 2018 Payroll budget reflects an overall average 3% salary increase for promotions, market and merit

External Costs

($ Millions)	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	Variance
Maintenance of Facilities	8.2	7.3	7.5	8.0	0.5
IT External Consultants	5.0	4.5	4.5	5.1	0.6
IT Maintenance Contracts	12.7	13.4	13.4	16.2	2.8
Call Centre (Outsourced)	5.0	4.1	4.9	5.3	0.4
Tree Trimming	3.8	3.1	3.1	3.0	(0.1)
Meter Related Costs	2.0	2.0	2.0	2.0	-
Distribution System Maintenance and Materials	46.3	46.0	51.5	52.0	0.5
Professional Services	8.5	8.4	6.6	7.6	1.0
Administrative and General Expenses	7.5	8.5	7.8	8.8	1.0
Collections Services & Processing	3.3	3.9	3.1	4.1	1.0
Miscellaneous	1.5	1.1	0.7	0.8	0.1
Sub-total External Costs	**103.8**	**102.3**	**105.1**	**112.9**	**7.8**
Monthly Billing	2.1	5.7	3.9	4.8	0.9
Total External Costs	**105.9**	**108.0**	**109.0**	**117.7**	**8.7**

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EB-2018-0165 THESL Financial Statements	2014	2015	2016	2017	2018	2019	2020
External Services $M	88.1	93.5	108.6	131.9	143.5		
Variance		6%	16%	21%	9%		
					63%		
			112.9	138.6			

Financial Statements

Toronto Hydro-Electric System Limited

DECEMBER 31, 2015 and 2014

See attached Glossary for abbreviations used in the audited financial statements.

17. SHARE CAPITAL

Share capital consists of the following:

	December 31 2015 $	December 31 2014 $	January 1 2014 $
Authorized			
The authorized share capital of LDC consists of an unlimited number of common shares without par value.			
Issued and outstanding			
1,000 common shares, of which all were fully paid.	**556.3**	556.3	556.3

18. OTHER REVENUE

Other revenue consists of the following:

	2015 $	2014 $
Other regulatory service charges	**13.5**	13.2
Pole and duct rentals	**10.5**	8.7
Ancillary services revenue	**9.9**	9.7
Street lighting service fee	**4.7**	5.1
Amortization of deferred revenue	**2.2**	0.7
Miscellaneous	**7.5**	14.3
	48.3	51.7

19. OPERATING EXPENSES

Operating expenses consist of the following:

	2015 $	2014 $
Salaries and benefits	**224.9**	224.7
External services	**93.1**	88.1
Materials and supplies	**14.8**	15.2
Other support costs [1]	**37.7**	36.1
Less: Capitalized costs	**(111.5)**	(106.0)
	259.0	258.1

[1] Includes taxes other than income taxes, utilities, rental, communication, insurance, and other general and administrative expenses.

For the year ended December 31, 2015, LDC recognized operating expenses of $6.6 million related to materials and supplies used to service electrical distribution assets [2014 - $5.8 million].

Financial Statements

Toronto Hydro-Electric System Limited

DECEMBER 31, 2016 and 2015

See attached Glossary for abbreviations used in the audited financial statements.

16. SHARE CAPITAL

Share capital consists of the following:

	2016 $	2015 $
Authorized		
The authorized share capital of LDC consists of an unlimited number of common shares without par value.		
Issued and outstanding		
1,000 common shares, of which all were fully paid.	**556.3**	556.3

17. OTHER REVENUE

Other revenue consists of the following:

	2016 $	2015 $
Other regulatory service charges	**16.7**	13.5
Ancillary services	**15.2**	9.9
Pole and duct rentals	**12.0**	10.5
Street lighting service fee	**5.8**	4.7
Amortization of deferred revenue	**3.8**	2.2
Miscellaneous	**12.8**	7.5
	66.3	48.3

18. OPERATING EXPENSES

Operating expenses consist of the following:

	2016 $	2015 $
Salaries and benefits	**218.9**	224.9
External services	**108.6**	93.1
Materials and supplies	**16.4**	14.8
Other support costs [1]	**32.2**	37.7
Less: Capitalized costs	**(108.5)**	(111.5)
	267.6	259.0

[1] Includes taxes other than income taxes, utilities, rental, communication, insurance, and other general and administrative expenses.

For the year ended December 31, 2016, LDC recognized operating expenses of $7.6 million related to materials and supplies used to service electricity distribution assets [2015 - $6.6 million].

Financial Statements

Toronto Hydro-Electric System Limited

DECEMBER 31, 2017 and 2016

17. SHARE CAPITAL

Share capital consists of the following:

	2017 $	2016 $
Authorized		
The authorized share capital of LDC consists of an unlimited number of common shares without par value		
Issued and outstanding		
1,000 common shares, of which all were fully paid.	**556.3**	556.3

Dividends

On May 11, 2017, the Board of Directors of LDC declared dividends in the amount of $2.1 million to the Corporation [2016 - $nil], which was paid out on June 27, 2017.

18. OTHER REVENUE

Other revenue consists of the following:

	2017 $	2016 $
Ancillary services	**21.1**	15.2
Pole and duct rentals	**15.8**	12.0
Other regulatory service charges	**13.3**	16.7
CDM mid-term incentive *[note 3[c]]*	**12.2**	—
Street lighting service fee	**6.7**	5.8
Development charges *[note 9[o]]*	**5.1**	—
Amortization of deferred revenue *[note 11]*	**4.7**	3.8
Miscellaneous	**17.8**	12.8
	96.7	66.3

19. OPERATING EXPENSES

Operating expenses consist of the following:

	2017 $	2016 $
Salaries and benefits	**225.4**	218.9
External services	**131.9**	108.6
Other support costs [1]	**21.6**	32.2
Materials and supplies	**21.3**	16.4
Less: Capitalized costs	**(116.0)**	(108.5)
	284.2	267.6

[1] Includes taxes other than income taxes, utilities, rental, communication, insurance, and other general and administrative expenses.

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

See Financial Report for abbreviations and defined terms
used in the audited consolidated financial statements.

MANAGEMENT'S REPORT

The accompanying Consolidated Financial Statements have been prepared by management of Toronto Hydro Corporation (the "Corporation"), who are responsible for the integrity, consistency and reliability of the information presented. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards and applicable securities legislation.

The preparation of the Consolidated Financial Statements necessarily involves the use of estimates and assumptions based on management's judgments, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Estimates and assumptions are based on historical experience, current conditions and various other assumptions believed to be reasonable in the circumstances, with critical analysis of the significant accounting policies followed by the Corporation as described in Note 26 to the Consolidated Financial Statements. The preparation of the Consolidated Financial Statements includes information regarding the estimated impact of future events and transactions. Actual results in the future may differ materially from the present assessment of this information because future events and circumstances may not occur as expected. The Consolidated Financial Statements have been prepared within reasonable limits of materiality in light of information available up to March 7, 2018.

In meeting its responsibility for the reliability of financial information, management maintains and relies on a comprehensive system of internal controls and internal audit, which is designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that the Corporation's assets are safeguarded and transactions are properly authorized and executed. The system includes formal policies and procedures and appropriate delegation of authority and segregation of responsibilities within the organization. An internal audit function evaluates the effectiveness of these internal controls and reports its findings to management and the Audit Committee of the Corporation, as required.

The Board of Directors, through its Audit Committee, is responsible for overseeing management in the performance of its financial reporting and internal controls. The Audit Committee is composed of independent directors and meets periodically with management, the internal auditors and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each group has properly discharged its respective responsibility and to review the Consolidated Financial Statements before recommending approval by the Board of Directors. The Audit Committee also considers, for review by the Board of Directors and approval by the shareholder, the appointment of the external auditors. The external auditors have direct and full access to the Audit Committee, with and without the presence of management, to discuss their audit and their findings as to the integrity of the financial reporting and the effectiveness of the system of internal controls.

The Consolidated Financial Statements were reviewed by the Audit Committee, and on their recommendation, were approved by the Board of Directors. The Consolidated Financial Statements have been examined by KPMG LLP, independent external auditors appointed by the Corporation's shareholder. The external auditors' responsibility is to express their opinion on whether the Consolidated Financial Statements are fairly presented in accordance with International Financial Reporting Standards. The attached Independent Auditors' Report outlines the scope of their examination and their opinion.

On behalf of Toronto Hydro Corporation's management:

"Anthony Haines"
Anthony Haines
President and Chief Executive Officer

"Sean Bovingdon"
Sean Bovingdon
Executive Vice-President and Chief Financial Officer

KPMG LLP
Chartered Professional Accountants
Bay and Adelaide Centre
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333 Bay Street
Toronto, ON M5H 2S5

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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Toronto Hydro Corporation

We have audited the accompanying consolidated financial statements of Toronto Hydro Corporation, which comprise the consolidated balance sheets as at December 31, 2017 and December 31, 2016, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and December 31, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Toronto Hydro Corporation as at December 31, 2017 and December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2017 and December 31, 2016 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 7, 2018
Toronto, Canada

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18. OTHER REVENUE

Other revenue consists of the following:

	2017 $	2016 $
Ancillary services	**22.3**	16.4
Street lighting service fee	**18.9**	16.6
Pole and duct rentals	**15.8**	12.0
Other regulatory service charges	**13.3**	16.7
CDM mid-term incentive *[note 3[c]]*	**12.2**	—
Development charges *[note 9[o]]*	**5.1**	—
Amortization of deferred revenue *[note 12]*	**4.7**	3.8
Miscellaneous	**15.4**	10.4
	107.7	75.9

19. OPERATING EXPENSES

Operating expenses consist of the following:

	2017 $	2016 $
Salaries and benefits	**226.5**	223.6
External services	**138.6**	112.9
Other support costs [1]	**22.3**	32.7
Materials and supplies	**21.6**	16.7
Less: Capitalized costs	**(116.0)**	(108.8)
	293.0	277.1

[1] Includes taxes other than income taxes, utilities, rental, communication, insurance, and other general and administrative expenses.

For the year ended December 31, 2017, the Corporation recognized operating expenses of $13.0 million related to materials and supplies used to service electricity distribution assets [2016 - $7.6 million].

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Toronto Hydro-Electric System Limited
EB-2018-0165
Exhibit U
Tab 1C
Schedule 2
FILED: April 30, 2019
(49 pages)

Financial Statements

Toronto Hydro-Electric System Limited

DECEMBER 31, 2018 and 2017

Energy sales and Distribution revenue by customer class are as follows:

	2018 $	2017 $
		Restated *[note 25[p]]*
Residential service [1]	**815.4**	902.3
General service [2]	**2,337.3**	2,394.5
Large users [3]	**225.6**	237.6
Total energy sales and distribution revenue	**3,378.3**	3,534.4

[1] "Residential Service" means a service that is for domestic or household purposes, including single family or individually metered multifamily units and seasonal occupancy.
[2] "General Service" means a service supplied to premises other than those receiving "Residential Service" and "Large Users" and typically includes small businesses and bulk-metered multi-unit residential establishments. This service is provided to customers with a monthly peak demand of less than 5,000 kW averaged over a twelve-month period.
[3] "Large Users" means a service provided to a customer with a monthly peak demand of 5,000 kW or greater averaged over a twelve-month period.

18. OPERATING EXPENSES

Operating expenses consist of the following:

	2018 $	2017 $
Salaries and benefits	**230.1**	225.4
External services	**143.5**	131.9
Other support costs [1]	**21.9**	21.6
Materials and supplies	**20.2**	21.3
Less: Capitalized costs	**(118.6)**	(116.0)
	297.1	284.2

[1] Includes taxes other than income taxes, utilities, rental, communication, insurance, and other general and administrative expenses.

For the year ended December 31, 2018, LDC recognized operating expenses of $11.7 million related to materials and supplies used to service electricity distribution assets [2017 - $13.0 million].

RESPONSES TO ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO INTERROGATORIES

INTERROGATORY 101:

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

a) Page 10: Please define restricted work days.

b) Page 21 Table 5: Please provide the Retirement Projection calculation and provide the data for 2018.

c) Page 21: Please provide a chart that shows THESL's resource mix for each of the years 2015 to 2024.

d) Page 23: Please provide the total number of vacancies for each of the years 2015 to 2018.

e) Please provide the average number of days to fill a vacancy in 2018.

f) Does THESL account for vacancies in its budget forecast for 2020?

g) Please provide THESL's turnover rate for each of the years 2015 to 2018 and provide the calculation.

h) Please provide THESL's resource utilization data for the years 2015 to 2018 and discuss any trends.

RESPONSE:

a) An employee is working in a "restricted "capacity when, due to a work-related injury or illness, the employee is unable to perform one or more routine functions, or unable to work the normal time period of their pre-injury or illness work day. Toronto Hydro uses the CEA standard A-2-2012 for recording and measuring occupational workplace injury/illness experience and transportation incidents, and tracks how much time an employee is working in this capacity using the restricted work days measure.

b) Please refer to Toronto Hydro's response to interrogatory 1B-CCC-13.

c) Please see Table 1.

Table 1: Internal versus External Resource Mix

	2015 Actual	2016 Actual	2017 Actual	2018 Bridge	2019 Bridge	2020 Test
Internal Costs	35%	35%	35%	38%	39%	37%
External Costs	65%	65%	65%	62%	61%	63%

Note: Internal costs do not include students.

In accordance with the rate framework discussed in Exhibit 1B, Tab 4, Schedule 1, the OEB's decision in the utility's last rebasing application (EB 2014-0116), the OEB Handbook for Utility Rate Applications, and the OEB Filing Requirements, Toronto Hydro has not produced the requested forecasts for the 2021 to 2024 period.[1]

[1] EB-2014-0116, Toronto Hydro-Electric System Decision and Order (December 29, 2015) at page 12; Ontario Energy Board, Handbook for Utility Rate Applications (October 13, 2016) at pages 24, 26-27; Ontario Energy Board, Filing Requirements for Electricity Distribution Rate Applications- 2018 Edition for 2019 Rate Applications- Chapter 2 (Cost of Service) (July 12, 2018) at page 1.

d) Table 2 below provides the average number of vacancies per year from 2015 to 2018. Given that headcount fluctuates month over month, the year-end vacancies represent the average number of full time equivalent budgeted positions vacant at the end of each year.

Table 2: Annual FTE Vacancies

2015 Actual	2016 Actual	2017 Actual	2018 Bridge
24	90	143	24

The average number of vacancies spiked in 2016 and 2017 because Toronto Hydro delayed hiring Certified Power Line Persons (CPLP) resources in anticipation of negotiating a harmonized Power Line Technician role with PWU as part of the labour bargaining process. The harmonized PLT role offers broadened employee skillsets and provides increased resource flexibility as PLT employees can work on both underground and overhead distribution assets. Toronto Hydro was pursuing this role in an effort to continue drive increased efficiency in the execution of its capital and operational work programs. However, for numerous reasons and despite Toronto Hydro's best efforts, this role could not be negotiated with the PWU. Toronto Hydro expects average annual FTE vacancies to revert back to 2015 historical levels.

e) In 2018, the average days to fill a vacancy was 48.06 business days.

f) Yes.

g) The turnover rate is calculated by dividing the number of full time employees who leave the organization by the total headcount as of the first day of the year. Table 3 below provides the annual turnover rate for 2015-2018.

Table 3: 2015-2018 Employee Turnover Rate (%)

2015 Actual	2016 Actual	2017 Actual	2018 Actual
8.28	10.21	11.21	11.22

Note: Turnover does not include employees on a fixed term contract.

h) The resource utilization rate is tracked for operational staff only. These are internal resources which directly support the execution of capital and operational work programs. As shown in Table 4 below, the resource utilization rate is relatively flat over the 2015-2018 period. Slight changes over the period are due to factors such as operational resources working on the ERP Project and fluctuations in emergency response efforts.

Table 4: 2015-2018 Resource Utilization Rate

2015 Actual	2016 Actual	2017 Actual	2018 Bridge
82.9%	82.4%	84.1%	83.4%

TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO

UNDERTAKING NO. JTC3.24:

Reference(s): 4A-AMPCO-101(h)

With reference to AMPCO 101 part h, resource utilization rate 2015 to 2018, to advise what makes up the balance to 100 per cent.

RESPONSE:

The following activities make up the balance of the labour utilization rates outlined in the response to interrogatory 4A-AMPCO-101(h):

- Legislatively mandated training such as Workplace Hazardous Material Information System (WHMIS) and Occupational Health and Safety Act training requirements;
- Technical and job related training such as cable pulling, crew leader training and office ergonomics; and
- Activities related to human resource management tasks such as safety inspections, performance management evaluations, employee relations matters and organizational meetings.

RESPONSES TO ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO INTERROGATORIES

INTERROGATORY 94:

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

a) Page 4 Table 3: Please provide a breakdown of Fleet and Equipment Services costs.

b) Page 7: Please provide THESL's vehicle utilization rate for each of the years 2015 to 2020.

c) Page 7: Please provide THESL's fleet size for each of the years 2015 to 2020.

RESPONSE:

a) Please see Table 1.

Table 1: Fleet & Equipment Services Costs ($ Millions)

	2015 Actuals	2016 Actuals	2017 Actuals	2018 Bridge	2019 Bridge	2020 Test
Payroll Costs	3.9	4.0	4.1	4.1	4.0	3.9
Labour Costs	0.0	0.0	(0.1)	0.1	0.1	0.1
Vehicle Charges and Recoveries	(0.5)	(0.6)	(0.5)	(0.6)	(0.6)	(0.6)
Vehicle Costs and Fleet Charges	3.3	3.1	4.1	3.3	3.4	3.5
Inventory and Direct Purchases	1.5	1.4	1.2	1.5	1.5	1.5
External Contract Services	1.9	1.9	2.3	2.5	2.6	2.6
Total	**10.1**	**9.8**	**11.0**	**10.9**	**11.0**	**11.0**

b) Fleet Vehicle Utilization is tracked in terms of "standard working hours", defined as: the total hours the vehicle is outside its home zone during standard hours, divided by the total number of standard hours per work day. "Standard Hours" are between 7:30am – 3:30 pm during weekdays (excluding Statutory Holidays). Standard Work Hour Utilization is:[1]

- 2015 Actual: 52%
- 2016 Actual: 49%
- 2017 Actual: 45%
- 2018 Bridge: 44%
- 2019 Bridge: 47%
- 2020 Forecast: 50%

c) Fleet Size includes all heavy duty, light duty, and equipment assets:

- 2015 Actual: 644
- 2016 Actual: 596
- 2017 Actual: 588
- 2018 Bridge: 559
- 2019 Bridge: 549
- 2020 Forecast: 534

[1] Exclusions: Vehicle usage outside of the "STD hours" (overtime, 24/7 System Response teams, Crews operating around road restrictions, shift employees, reactive emergencies, etc.); Time spent working in the home location (prepping equipment, safety meetings, loading material, training, inspections, returning material removed from the field, etc.).

RESPONSES TO ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO INTERROGATORIES

INTERROGATORY 96:

Reference(s): Exhibit 4A, Tab 2, Schedule 15

a) THESL indicates the corporate attendance number has improved by 32% from 2013 to 2017. Please define the corporate attendance number and provide the calculation. Please provide the data for 2018.

b) Please provide the Human Resource metrics utilized by Hydro One to manage its workforce and include the data for each metric for the years 2013 to 2018.

c) Please identify any new Human Resource metrics proposed over the test period.

RESPONSE:

a) Corporate attendance is defined as total days of absenteeism divided by total number of full-time employees. In 2013, the average days of absenteeism were 5.23, and in 2017, the average was 3.54. That is a difference of 1.69 days or 32 percent improvement. The 2018 corporate performance results are not available as Toronto Hydro has not completed the process of closing out of the year. Toronto Hydro intends to provide the 2018 corporate performance results as part of the planned evidence update, which is discussed in Exhibit 1A, Tab 3, Schedule 1, Appendix B.

b) Toronto Hydro manages its workforce through the People metrics on the corporate scorecard. The results from 2013 to 2017 are detailed below. For the reasons mentioned in part (a), above, 2018 data is not available.

Table 1: Corporate People Metrics 2013 – 2019

People Metric	2013
Employee Engagement	11.1
Total Recordable Injury Frequency	2.26

People Metric	2014
Attendance	4.94
Total Recordable Injury Frequency	1.18

People Metric	2015
Attendance	3.78
Total Recordable Injury Frequency	1.16

People Metric	2016
Safety Index	14.8%
Sustainability Index	7.3%
Talent Index	7.5%

People Metric	2017
Total Recordable Injury Frequency	1.06

c) For 2019, the People metrics are Employee Engagement and Safety. Toronto Hydro has not determined its corporate metrics beyond 2019. However, as part of this application, Toronto Hydro has proposed an Outcomes Framework that includes 44 measures to track the utility's performance over the 2020-2024 period. Total Recordable Injury Frequency is one of the measures in the Safety outcome, which will be reported annually to the OEB.

TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO

UNDERTAKING NO. JTC3.19:

Reference(s): 4A-AMPCO-96(b)

To provide the breakdown for the sustainability index; to provide the talent index.

RESPONSE:

Table 1: Toronto Hydro 2016 Safety, Sustainability, and Talent Indices

Key Performance Indicator	2016
Safety	
Total Recordable Injury Frequency ("TRIF")	0.80
Training Compliance	93%
Compliance to Safety & Environment Audit Findings	95%
Safety Inspections Per Leader	118%
Safety Index Total	**14.84%**
Sustainability	
Attendance	3.60
Recycling Rate	64%
Conservation & Demand Management ("CDM")	273.2
Vehicle Idling Time	74,342
Sustainability Index Total	**7.34%**
Talent	
Employee Engagement	7.1
Employee Turnover	2.71%
Performance Management System Compliance	93%
Talent Index Total	**7.50%**

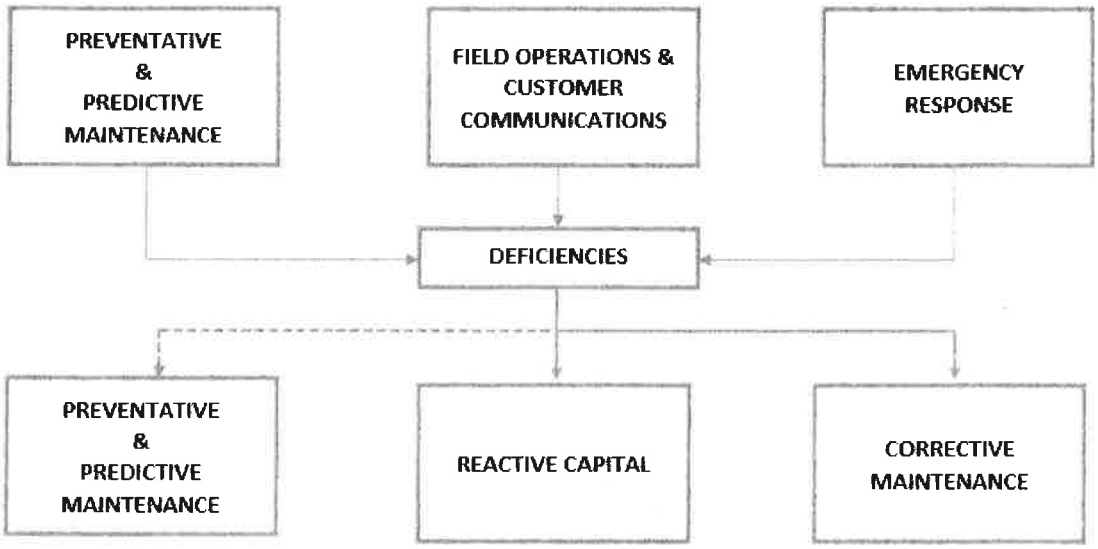

Figure 1: Deficiency Capturing Process

Distribution system events such as power outages are initially addressed through the Emergency Response program (Exhibit 4A, Tab 2, Schedule 5). The cost of any capital work (e.g. asset replacement) carried-out during an Emergency Response event is captured in the Reactive Capital segment (See Exhibit 2B, Section 6.7 Reactive and Corrective Capital program). An Emergency Response event can also result in follow-up work to be carried out via the Reactive Capital segment.

The more substantial source of Reactive and Corrective Capital work is the identification of asset failures and deficiencies through maintenance activities and daily utility operations, including:

- Toronto Hydro's Preventative and Predictive Maintenance programs systematically identify asset failures and priority deficiencies through regularly scheduled system maintenance activities. Through the "find it and fix it" practices, on-site repair of minor deficiencies is carried out. For more details on these programs, refer to Exhibit 4A, Tab 2, Schedules 1-3.
- Failures and deficiencies are also identified through daily field operations and customer contacts. These include observations by field crews and system operators during the normal course of operations, external emails, customer inquiries requiring field assessment and follow up including phone calls received from the customer service team, and meter errors captured through internal data collection systems.

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These processes and activities can result in both capital and operating expenditures (e.g. corrective tree trimming). The Corrective Maintenance program (Exhibit 4A, Tab 2, Schedule 4) is the operational counterpart to the Reactive Capital segment.

Toronto Hydro has an established internal process for reviewing all work inquiries from these sources to validate the need for reactive intervention, assess the nature of reactive intervention required (i.e. capital versus maintenance), and the level of urgency/priority to be assigned to each item. Prioritization of the asset deficiencies identified as part of the work request process is based on the urgency of the work and how quickly it needs to be resolved. The work requests are classified into three categories (P1, P2, and P3) as discussed in Section D3.2.1.3 and illustrated in Figure 2:

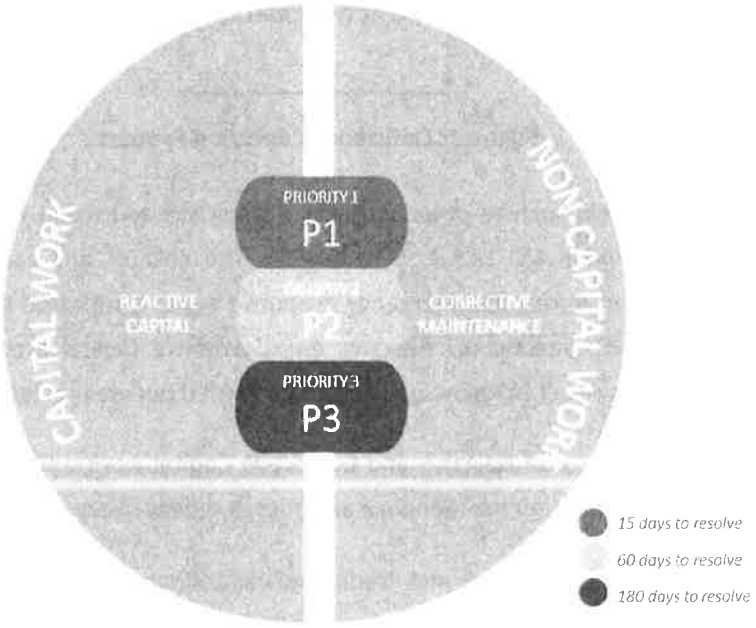

Figure 2: Work Request Prioritization

D3.1.1.3 Impact of System Renewal on Maintenance Planning

Toronto Hydro routinely assesses the impact of its system renewal investments on preventative and predictive maintenance plans. The directional relationship between asset replacement and planned maintenance is largely dependent on the maintenance requirements for the assets being removed and installed.

deficiencies identified during the course of utility operations (and not just defective equipment deficiencies). That process has three categories of priorities:

- **P1**, requiring a resolution within 15 days;
- **P2**, requiring a resolution within 60 days; and
- **P3**, requiring a resolution within 180 days.

A P1 is assigned to defective equipment that has a DETS score greater than 100 and a P2 is assigned to defective equipment that has a score less than 100. Analysis of the DETS scores and the volumes of priority deficiencies provides Toronto Hydro with another layer of risk modelling and inputs for risk management.

For additional details related to deficiencies, defective equipment, and prioritized reactive and corrective actions, please see the Reactive and Corrective Capital (Exhibit 2B, Section E6.7), Corrective Maintenance (Exhibit 4A, Tab 2, Schedule 4), and Emergency Response (Exhibit 4A, Tab 2, Schedule 5) programs.

6. Legacy Assets

Toronto Hydro's risk assessment frameworks include inventories of legacy assets and configurations that have been identified based on various factors (e.g. their likelihood of failure and resulting impact on system reliability, safety, or the environment). These assets and configurations are also typically functionally obsolete with limited or no support from manufacturers or third party service providers. Toronto Hydro monitors these legacy assets to manage and minimize their associated risks to customers, employees, and the public. The utility evaluates legacy asset risk and performance over time, adjusting investment plans over the short-, medium- and long-term to ensure the risks are being addressed at an appropriate and feasible pace. The reduction or elimination of these assets and the associated risks was a major contributing factor when developing the investment plans outlined in Section E of the DSP. For more information on Toronto Hydro's legacy assets, please refer to Section D2.

D3.2.2 Overview of Risk Mitigation Methods

Through its capital and maintenance investment plans, Toronto Hydro mitigates both the quantitative and qualitative risks identified above. Toronto Hydro manages risks by prudently investing in its assets while deriving value for customers. As such, the risk-based models and

RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES

INTERROGATORY 9:

Reference(s): Exhibit 1B

Please provide summaries of all internal audit reports conducted since 2015, their findings, recommendations, and the status of any actions that are to be taken.

RESPONSE:

Attached as Appendices A-o to this response are summaries of internal audit quarterly reports conducted since 2015. Please note that some parts of these documents have been redacted for confidentiality purposes. Also, certain information in these documents is subject to solicitor-client privilege. Toronto Hydro refuses to provide this information, and has redacted the documents accordingly.

TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO

UNDERTAKING NO. JTC3.21:

Reference(s): 1B-SEC-9

To review and consider whether to disclose a copy of the maintenance and stations capital audit; if not, to advise why not.

RESPONSE:

Toronto Hydro notes that AMPCO requested[1] copies of reports pertaining to all four internal audit activities identified in the response to interrogatory 4A-AMPCO-97(a).

A copy of the Maintenance and Station Capital Audit Report is attached as Appendix A to this response. Toronto Hydro does not have audit reports for the other three activities noted the interrogatory response for the reasons that follow.

The SAP Implementation Review is an internal monitoring activity for the ongoing Enterprise Resource Planning ("ERP") system upgrade project. This work is ongoing as part of the Post-Implementation phase of the ERP project, and as such a final audit report has not been completed.

Internal Controls Over Financial Reporting audits are performed annually and any resulting observations are presented to the Audit Committee of Toronto Hydro

[1] EB-2018-0165 Technical Conference Transcript Day 3, page 146, lines 15-16.

Corporation's Board of Directors, when the Committee convenes. These are no audit reports generated as part of this activity.

Special Consulting & KPMG Support refers to the annual activities undertaken by internal audit to support the work of the external auditors. There are no reports generated as part of this activity.

Toronto Hydro-Electric System Limited
EB-2018-0165
Technical Conference
Schedule JTC3.21
Appendix A
FILED: March 29, 2019
(19 pages)

TORONTO HYDRO

INTERNAL AUDIT REPORT

Maintenance and Stations Capital

18-02-MSC

Prepared For	Title
Dino Priore	EVP & Chief Engineering and Construction Officer
Ben La Pianta	EVP & Chief Customer Care, EO&P Officer
For Information Purposes	
Elias Lyberogiannis	GM, Engineering
John Borowitz	GM, Power System Services
Jim Trgachef	GM, Construction
Ashley Collier	Director, Enterprise Project Management and Development
Steve Strugar	Director, Distribution Stations
Anthony Haines	President & Chief Executive Officer
Aida Cipolla	EVP & Chief Financial Officer
KPMG	External Auditor

Date

2018-10-31

Assessment Period

January 2016 – December 2017

Audit Team

Scott Kiser	Director, Internal Audit
Rob Okashimo	Director, Corporate Risk & Disaster Planning
Githu Mundenchira	Internal Audit Consultant
Tahir Khuwaja	Internal Audit Consultant

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Audit Report Snapshot

Overall Rating
NEEDS IMPROVEMENT

Audit Report Ratings

Satisfactory	The area was found to have a robust control environment with finding(s) that would not likely create a significant negative impact for Toronto Hydro.
Needs Improvement	The area was found to have adequate controls except in certain specified areas and these weaknesses could potentially cause a significant negative impact for Toronto Hydro.
Needs Immediate Attention	The issue(s) found individually or in combination represent an unacceptable level of business risk that is virtually certain to have a significant negative impact on the operations of Toronto Hydro.

Issues

Impact/Severity	# Audit Issues
High	0
Medium	3
Low	3
Total Issues	**6**

Executive Sponsors
Aida Cipolla

Assessment Period
January 2016 to December 2017

Executive Summary

Background

The audit of Maintenance (All RC's) and Stations Capital processes (the "audit") was identified as a higher risk area and was included in the 2018 Internal Audit Plan (the "Plan").

Maintenance processes are critical components to fulfill the vision of Toronto Hydro to continuously maximize customer and stakeholder satisfaction by being safe, reliable and environmentally responsible at optimal costs.

Capital projects at stations enable Toronto Hydro to optimize the useful life of the assets in operations.

Toronto Hydro has invested $59.5M (including $36M paid to Hydro One for capital expenditure on capacity increment) in capital projects related to stations life cycle management programs in 2017. This audit, however, only focused on Toronto Hydro led expenditures on capital projects on stations and did not review the payments to Hydro One. A total of $46M was spent on operating maintenance activities that represents 16% of total operating expenses for Toronto Hydro for 2017.

Conclusion

The teams involved in planning, execution and monitoring of maintenance activities and stations capital work are fulfilling their mandate to achieve the overall vision of Toronto Hydro regarding customer and stakeholders' satisfaction. There are, however, opportunities to improve processes around overall governance structure, monitoring and quality assurance of the documentation. As the timely completion of these activities is critical to Toronto Hydro's success, these findings could potentially have a negative impact.

The overall rating for the Maintenance and Stations Capital audit is Needs Improvement. There are a total of six issues found during the audit, three are medium risk and three are considered low risk. These issues are summarized on the next page.

Summary of Observations

#	Observation	Process	Risk	Exposure
1	Lack of a Single Formal Maintenance Policy and Strategy	Maintenance	L	Although policies and strategies are contained in various documents, the absence of a single formal document may lead to inconsistencies in a clear vision and governance structure for maintenance activities within Toronto Hydro. It may also lead to potential conflicts of interpretation with respect to prioritization of maintenance activities especially corrective and reactive work.
2	Lack of formally documented Planned/Preventive Maintenance Process	Maintenance	L	Absence of a formally documented planned / preventative maintenance process flow may potentially lead to lack of clarity of roles and responsibilities of various RCs involved in the process especially at the points where responsibilities are handed over during the process.
3	Delays in attainment of "P1" Level Work Orders	Maintenance	M	• Delay in addressing high priority P1 work orders may have the potential to result in incidents. • Such incidents may cost Toronto Hydro more than the maintenance activity originally planned to mitigate the issue. • May potentially cause disruptions to the capital program of Toronto Hydro. • May potentially result in outages to customers.
4	Inconsistent Documentation of work performed in Red Construction Folders (RCFs)	Maintenance	L	• Incomplete evidence of the extent of work performed. • High risk issues may not be addressed / resolved properly. • May potentially result in incidents if the work was not performed as required.
5	Construction Drawings in finalized Green Construction Folders (GCFs) missing appropriate approvals.	Stations Capital	M	• Drawings without documented review may potentially have errors. • Risk of failed ESA Audit.

#	Observation	Process	Risk	Exposure
6	Delay in records updates from time of GCF completion	Stations Capital	M	• Missed updates may result in assets being missed from capital or maintenance planning cycle. • Efficiency/Safety concern from system missing assets.

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Audit Objectives and Scope

The scope of this audit included two primary components:

- All TH maintenance processes; and
- TH-led Stations Capital processes.

The objectives of the audit were to evaluate the design and operating effectiveness of key controls in the Maintenance (all RC's) and Stations Capital processes to ensure:

1. All distribution assets were adequately maintained to sustain reliability of the system and optimize asset life. This included planning, execution, reporting deficiencies and trend analysis of maintenance activities and Short Interval Controls;
2. Compliance and adherence to the relevant provisions of Ontario Energy Board's (OEB) Distribution System Code and formally documented process maps and policies of Toronto Hydro applicable to Maintenance and Stations Capital processes;
3. Compliance and adherence to the metrics set by Toronto Hydro management to measure against the targets set within Custom Incentive Rate-setting (CIR) related to Maintenance and Stations Capital expenditures; and
4. Appropriate oversight of stations capital projects and maintenance processes to ensure that the projects are completed on time, on budget, in compliance with quality standards and are accounted for appropriately.

The audit engagement followed a risk-based approach where Internal Audit will document key operating procedures with a view to understanding how the stations capital projects plan and maintenance plan is established and monitored ensuring compliance with relevant rules and regulations.

Conclusion

The teams involved in planning, execution and monitoring of maintenance activities and stations capital work are fulfilling their mandate to achieve the overall vision of Toronto Hydro regarding customer and stakeholders' satisfaction. There are, however, opportunities to improve processes around overall governance structure, monitoring and quality assurance of the documentation. As the timely completion of these activities is critical to Toronto Hydro's success, these findings could potentially have a negative impact.

The overall rating for the Maintenance and Stations Capital audit is Needs Improvement. There are a total of six issues found during the audit, three are medium risk and three are considered low risk. These issues are detailed in the following pages.

It should be noted that new processes in the Stations Capital area have been developed and are in the process of being implemented. Once implemented they will rectify some of these issues. Besides that the new ERP implementation has created some revised processes which will also potentially rectify some of these issues.

3. Delays in attainment of "P1" Level Work Orders	
Risk	Medium
Process	Maintenance
Observation (18-02-MSC-03)	Internal Audit analyzed the data for the corrective / reactive work requests and work orders created and completed during the years 2016 and 2017. The analysis highlighted delays in attainment of work orders with assigned priority level of "P1". As per current practice, all work orders with assigned priority level of "P1" are suggested to be attained within 15 days. Only 27% of the work orders with assigned priority level of "P1" were attained within the suggested timeline of 15 days. The average attainment time of remaining 73% of "P1" work orders was 100 days. Although the RCs receive monthly reports for their outstanding work orders along with various other monthly reports and details are reviewed at bi-weekly or monthly team meetings, there is a lack of formal monitoring or accountability measures specific to high priority "P1" work orders.
Exposure	- Delay in addressing high priority P1 work orders may have the potential to result in incidents. - Such incidents may cost Toronto Hydro more than the maintenance activity originally planned to mitigate the issue. - May potentially cause disruptions to the capital program of Toronto Hydro. - May potentially result in outages to customers.

Management Response and Action Plan	*Management Response* The current reactive and corrective deficiency closure process (P1/P2/P3) tracks permanent closure of the identified deficiency which is usually through asset repair or replacement. However, the existing measures and process do not capture efforts to assess the deficiency and have interim mitigation of the risk within the targeted time periods. Evaluating system risk strictly on overdue P1s could give an incomplete view on the outstanding risks as it does not capture the severity of the unmitigated risks in the outstanding deficiencies. An example is in some cases a deficiency could be issued and an interim fix could be put in place as a risk mitigation approach if the asset cannot be repaired/replaced quickly. The P1 deficiency would remain open until the asset is repaired/replaced even though the risk may have been assessed and mitigated within the targeted time period. *Action Plan* a) Update language in current process documentation as "target" timeframes for P1/P2/P3 (completed). b) Develop and document process changes to: i. Reprioritize P1s if site-assessment and/or risk mitigation approaches deem the work is not required immediately, ii. Identify and improve the root causes of P1 latency so that P1 work can be completed within targeted time periods, iii. Identify if alternative/additional measures are needed to give visibility to risk exposure from overdue P1 work beyond the current attainment measures (31-May-19). c) Enterprise Program Management and Development (EPMD) has existing monitoring for Level 4 latency (P1, P2, P3) on the department dashboard. As mentioned in the observations, there are also work issuance reports to the operations business unit leaders showing the outstanding work and the date work was issued. To increase visibility around latency: i. MPP P1 Latency Reporting: Additional new content has been added to the monthly operations report for MPP meetings for P1s (completed). ii. Business Unit P1 Latency Reporting: Improve reporting / visibility of data to RC leaders on P1s to enhance visibility to P1 work and latency (31-Jan-19). d) Confirm RCF closeout process in SAP to determine potential for latency improvements from electronic closeout versus current methods (31-Jan-19).		
Designated Responsible Person(s)	Ashley Collier, Director, Enterprise Project Management & Development		
Executive Sponsors	Dino Priore, EVP and Chief Engineering & Construction Officer	Due Date	Q2 2019