

## Introduction

The inspection of vaults that protect important electricity equipment housed in buildings is a regulatory requirement<sup>1</sup> that requires a utility representative to allow access. These inspections are primarily about safety, secondarily about continuity of service and lastly about cost.

In 2018, Toronto Hydro Electricity System Ltd. (“THESL”) proposed to change its Conditions of Service to require building owners to pay for the cost of the Person-in-Attendance (“PIA”) <sup>2</sup> in 2019. The Greater Toronto Apartment Association (“GTAA”) opposed this change through the Conditions of Service process emphasizing the mutual benefit of this service. We directly sought resolution and hoped to avoid bringing this matter into a very large and complex rate proceeding. Unfortunately, the matter remained unresolved.

The GTAA has been striving to receive assurance from THESL that our perspective on the Vault Inspection PIA would continue to be respected throughout IRM period<sup>3</sup> but those assurances have not been forthcoming. These attempts were made prior to the proceeding through the Conditions of Service feedback and subsequently during the proceeding. The GTAA is respectful of the Board’s current resource challenges and the scope of this proceeding. Heeding direction provided by the Chair on the last day of Oral hearing<sup>4</sup>, we have strived to focus our submission on our primary issue in this proceeding for the Board’s consideration and determination. We respectfully request that the Board make a finding that THESL be restricted from making a change to the cost responsibility for the PIA until, at least, its next rebasing proceeding.

## Annual Vault Inspections are Mandatory and Provide Mutual Benefit

The equipment that provides hydro service to thousands of buildings<sup>5</sup> in the THESL system is housed in locked rooms (indoor vaults) inside of the building. Isolation in the building contributes to longer asset life.<sup>6</sup> The room is provided free of charge to protect the equipment<sup>7</sup> and to create a barrier for safety with the key to the room being kept by THESL. This practice is designed to contribute to reliability of service, inside and outside the building, as well as safety.<sup>8</sup> As such, the inspections and potential refurbishments reduce risks for the building owner and THESL and, very importantly, the end use customer.

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<sup>1</sup> Ex. K2.1 pages 6-7

<sup>2</sup> Ex. 4A-GTAA-1

<sup>3</sup> Transcript, Volume 2, pages 27 and 28.

<sup>4</sup> Transcript, Volume 11, page 100, lines 17-24

<sup>5</sup> Ex. 4A, Tab 2, Sch. 3, page 9

<sup>6</sup> Transcript, Volume 2, page 100, lines 8-13

<sup>7</sup> Ibid. More than 85% contain Toronto Hydro-owned equipment

<sup>8</sup> Technical Conference Transcript, Tuesday, February 19<sup>th</sup>, pages 144-145

To provide an early warning of increases in heat in the vault that may be related to potential equipment malfunction<sup>9</sup>, the room is equipped with a heat sensor. While responses of THESL to our inquiries about the importance of increased heat as an early warning were equivocal<sup>10</sup>, it is interesting to note that THESL inspection practices include thermographic scans<sup>11</sup>. In accordance with codes and regulations, these heat sensors must be tested annually.<sup>12</sup>

While we were challenged in obtaining answers in the oral hearing<sup>13</sup>, some of the facts are:

- 1) On July 20, 2008, an explosion did occur at 2 Secord Avenue in the former municipality of East York (now the City Of Toronto). Subsequent inspection of one of the transformers revealed that it had sustained an internal failure causing an electric arc within the transformer windings eventually resulting in a catastrophic rupture of the transformer tank.<sup>14</sup>
- 2) There was an explosion and fire at 2 Secord Avenue resulting in a Class Action Settlement of \$6.5M<sup>15</sup>
- 3) Toronto Hydro and/or its Insurers were ordered to deliver the Settlement Amount<sup>16</sup>
- 4) In 2011, Toronto Hydro and TFS (Toronto Fire Service) negotiated a resolution to charges laid under the FPPA (Fire Prevention and Protection Act) against Toronto Hydro. Under the terms of the Minutes of Settlement Toronto Hydro entered into an inspection program Toronto Hydro provided TFS with co-operative access to Hydro Vaults in privately owned buildings (the “Cooperative Inspection Program”). The Cooperative Inspection Program continues to operate through 2015 as agreed to in the Minutes of Settlement.<sup>17</sup>

In our view, the facts conclude that the City of Toronto and the Toronto Fire Service believed the safety and financial risks associated with heat detection were important enough to invest time and money to manage those risks ensuring that privately-owned buildings were equipped with heat detection. THESL confirmed that they did not charge TFS for access to vaults.<sup>18</sup> It seems incredulous that THESL would now charge building owners to make sure the heat detection system is working. While the legislative

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<sup>9</sup> Transcript, Volume 2, page 26, lines 19-22 and Ex. 4A-GTAA-6

<sup>10</sup> Ex. 4A-GTAA-6 and Technical Conference Transcript, February 19<sup>th</sup>, pages 152-153

<sup>11</sup> Ex. 4A, Tab 2, Sch. 3, page 9

<sup>12</sup> Transcript, Volume 2, page 23-26 and Ex. K2.1 pages 4-6

<sup>13</sup> Transcript, Volume 2, pages 107-112

<sup>14</sup> Ex. K2.1, p.35

<sup>15</sup> Ex. K2.1, p.56

<sup>16</sup> Ex. K2.1, p.50

<sup>17</sup> Ex. K2.1, p.28

<sup>18</sup> Transcript, Volume 2, pages 106, lines 17-18

frameworks and onus may be different, access for these inspections ought to be treated like locates are provided at no cost as they promote safety.<sup>19</sup>

### No Charge PIA for Heat Sensor Inspection Should Continue Throughout the IRM Period

As was evidenced in the response to our interrogatory, through the Conditions of Service process, THESL proposed to charge for a PIA for the purpose of vault inspection in Revision #18.<sup>20</sup> As a result of THESL reflection on feedback received from customers on this proposed change, Revision#18.1 proposed to provide free of charge, the services of two-hour PIA.<sup>21</sup> However, in the Technical Conference, THESL witnesses stated “At this point, and based on the feedback we've received from customers, we will not be proceeding with the proposed changes.”<sup>22</sup> Then later that same day, Counsel for THESL advised “for the purposes of 2019, the proposal is, you know, subject to further canvassing, customer reviews, and insights, is that the proposal is deferred for 2019 and not to be put in place any sooner than 2020”.<sup>23</sup>

While we respect that the utility wants to maintain “operational flexibility”<sup>24</sup> and see it is their right to make changes to the Conditions of Service by following prescribed Distribution System Code requirements<sup>25</sup>, we see the deferral to no sooner than 2020 as an opportunity to remove this matter as an issue to be determined by this panel.<sup>26</sup> Even in the Letter to the Vault Owners, evidenced for the first time in the proceeding in response by the undertaking requested by the Chair<sup>27</sup>, THESL states “After careful consideration, Toronto Hydro has decided to defer any change to the COS regarding vault access fees to 2020.” The practical result would be that THESL would put the costs of providing a PIA into its forecast and revenue requirement, thus getting compensated in rates, then turning around as early as the first year of the five year period and charging the building owner while not necessarily changing its rates.<sup>28</sup> We respectfully submit that the Board should not countenance such an approach.

If the costs of the PIA are already in base rates, the utility should not have the discretion to turnaround and charge customers as the practical effect is customers are paying twice. This prospect is especially offensive since the building owners are paying the second time for an inspection service that is their legal obligation for the purposes of safety and continuity of service. The owners must invest in their own personnel to do the inspection and potentially correct deficiencies so they are not asking for a free pass.

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<sup>19</sup> Transcript, Volume 2, page 102, line 10 to page 103, line 17

<sup>20</sup> Ex. 4A-GTAA-1, page 6

<sup>21</sup> Ex. JTC2.3, page 2

<sup>22</sup> Technical Conference Transcript, Day 2, 20190220, page 15, line 26-28

<sup>23</sup> Technical Conference Transcript, Day 2, 20190220, page

<sup>24</sup> Transcript, Volume 2, page 29, lines 9-12

<sup>25</sup> Transcript, Volume 4, page 163

<sup>26</sup> Argument-in-Chief, page 68, paragraph 238

<sup>27</sup> Ex. J6.11, Appendix B

<sup>28</sup> Transcript, Volume 4, page 164, lines 2-6

Further, to address a proposition of THESL<sup>29</sup>, we submit that putting a two-hour limit of the PIA is counter-productive. From a review of hours of PIA, it is clear that almost one third of the inspections took more than two hours<sup>30</sup>. While little information seemed to be available from THESL databases<sup>31</sup>, one can likely conclude that some of these durations were required to bring the vault into compliance which is in the interests of THESL, the building owner and ultimately, the customer.

### Conclusion

Annual inspections of indoor vaults contribute to safety and continuity of service. The question is who pays for the PIA to promote safety during and after the inspection. In our view, both THESL and the building owner should be contributing to this inspection through taking cost responsibility for costs of their respective personnel. We respectfully request the Board direct THESL to maintain the provision of PIA at no cost to ensure the utility does not double-dip on these costs during the IRM period.

### Costs

The GTAA has strived to be efficient in our participation in this hearing and respectfully request the award of our reasonably incurred costs in this proceeding.

ALL OF WHICH IS RESPECTFULLY SUBMITTED ON BEHALF OF THE GTAA,



Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

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<sup>29</sup> Ex. 4A-GTAA-1, pages 8-9

<sup>30</sup> Ex. JTC1.21, page 2

<sup>31</sup> Technical Conference Transcript, February 19<sup>th</sup>, page 157, line 13 to page 158, line 17