Board Staff Interrogatory #276

Interrogatory

Reference:
Exhibit F4 / Tab 3 / Schedule 1 / pp. 5-6, 8
Exhibit F4 / Tab 3 / Schedule 1 / Attachment 1
Exhibit F4 / Tab 3 / Schedule 1 / Attachment 2

Preamble:

OPG noted that it has a mature and experienced workforce. By year-end 2021, approximately 21% of active regular employees will be eligible to retire with an undiscounted pension, with an additional 14% becoming eligible to retire between 2022 and 2026.

OPG noted that it expects that the planned Pickering NGS shutdown will eliminate over 3,000 positions across the organization. OPG noted that one-time costs will include severance obligations for exiting management and unionized employees.

OPG noted that it is hiring Power Workers' Union (PWU) Term employees and Society of United Professionals (Society) ETEs to mitigate the impact of the planned shutdown of Pickering NGS.

Question(s):

a) Please advise how many employees OPG expects to retire during the 2022-2026 Custom IR term. Please provide the percentage of the expected reduction to staffing levels that will be addressed through retirements.

b) Please provide a high-level estimate of the cost savings (in $) of using Term employees and ETEs.

Response

a) As noted in Ex. L-F4-03-AMPCO-162 (c), OPG does not track or plan headcount on an allocated basis. On a total OPG basis, OPG estimates there will be approximately [redacted] retirements across the company in the 2022-2026 period, based on current assumptions.

The above retirements do not form part of the 3,000-position reduction referenced in the question. As further clarified in Ex. L-F4-3-Staff-275, the 3,000-position reduction represents the estimated impacts of the downsizing over the period spanning the planned Pickering optimized shutdown beginning in 2024 and the placement of the units in a safe state over an approximate three year period following the shutdown, beyond the IR term. [redacted] OPG is not seeking recovery of downsizing costs in this application and will record such costs incurred over the IR term in the Pickering Closure Costs Deferral Account.

b) The main savings from the use of Term and ETE employees to the costs included in the application relate to their ineligibility to join OPG's pension and OPEB plans. Additional savings also result from lower paid time off entitlements compared to regular employees. The total of the cost savings over the 2022-2026 period is estimated at [redacted]

In addition, as discussed at Ex. F4-3-1, these employees receive less severance than regular employees and are not subject to the redeployment provisions under the collective agreements, which will reduce downsizing costs associated with the Pickering shutdown. Based on current assumptions, OPG estimates that the establishment and use of Term and ETE employees reduces the costs that will be captured in the Pickering Closure Costs Deferral Account by [redacted]