

Hydro One Networks Inc.

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**BY EMAIL AND RESS**

April 22, 2022

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Marconi,

**EB-2021-0110 – Custom IR Application (2023-2027) for Hydro One Networks Inc. Transmission and Distribution – Decision on Confidentiality Requests**

Further to the Ontario Energy Board Decision on Confidentiality requests and Procedural Order No. 5 on April 14, 2022, Hydro One Networks Inc. (Hydro One) is submitting revised unredacted versions of Appendix K and JT4.25, Attachment 1 as requested.

For Appendix K, a document was missed in the original submission on November 30, 2021. This document (Utilimarc 2020 Benchmarking Unit Template) is included as part of this submission. The unredacted versions of Appendix K and the Utilimarc 2020 Benchmarking Unit Template are provided through an update of interrogatory I-22-B4-SEC-161.

With respect to JT4.25, Attachment 1 Hydro One is providing the unredacted 2021 Team Scorecard and the associated results.

These items are provided as follows:

- Updated I-22-B4-SEC-161 (includes unredacted versions of Appendix K and the Utilimarc 2020 Benchmarking Unit Template)
- Updated JT 4.25 (includes an unredacted version of Attachment 1 and year end results)

Sincerely,



Kathleen Burke

cc. EB-2021-0110 parties

**B4 - SCHOOL ENERGY COALITION INTERROGATORY - 161**

**Reference:**

Exhibit B-4-1, GSP Section 4.1, Attachment 1

**Interrogatory:**

With respect to the Utilimarc, *2019 Fleet Operations Benchmarking Report*:

- a) [p.4] Please explain why no Ontario utilities were included in the peer group.
- b) [p.5] Please provide a table showing the Vehicle Equivalency for each of Hydro One's major vehicle types and how they are calculated.
- c) [p.8] For each cost metric, costs are broken down into three categories (i.e. ownership, operating (net fuel), fuel and support). Please provide a definition of what specific costs are included in each category and how each are calculated.
- d) For each metric, please provide Hydro One Quartile Performance by cost category.
- e) Please provide a copy of the questionnaire provided to all participants.

**Response:**

Response by Utilimarc

- a) The Utilimarc benchmarking analysis only includes Utilimarc clients at the time the report was run, which did not include other Ontario Utilities at that time.
- b) Vehicle Equivalency (VE) is calculated for companies that are included within the Utilimarc benchmark study, utilizing historic internal repair hours by Utilimarc class code. This value is used as a weighting metric for comparison purposes only and does not reference actual Hydro One repair hours. Below is the VE by Utilimarc class code with the "Hydro One Type" column included. See page 5 of the 2019 Fleet Operations Benchmarking Report "Cost per VE" item for additional information.

Utilimarc Class Code	Utilimarc Class Name	Hydro One Type	Utilimarc VE
3	Sedan - Unassigned	Light	16.80
3.1	Sedan - Compact	Light	16.80
3.2	Sedan - Midsize	Light	12.11
3.3	Sedan - Fullsize	Light	13.61
3.4	Sedan - Hybrid	Light	11.33
3.5	Sedan - Electric	Light	10.66
4	Police	Light	31.60
4.1	Police - Marked Squad Sedan	Light	31.60
4.2	Police - Marked Squad SUV	Light	29.32
4.3	Police - Unmarked Sedan	Light	12.97
4.4	Police - Unmarked SUV	Light	17.01
4.5	Police - Light Vans	Light	28.82
4.6	Police - Heavy Vans	Heavy	36.26
4.7	Police - Motorcycles	Light	25.06
5	Passenger Van	Heavy	15.09
6	Pickup - Unassigned	Light	17.02
6.1	Pickup - Class 1	Light	17.02
6.21	Pickup - Class 2a	Light	14.65
6.22	Pickup - Class 2b	Light	19.06
6.3	Pickup - Class 3	Light	26.37
6.4	Pickup - Class 4+	Heavy	26.37
10	SUV - Unassigned	Light	13.83
10.1	SUV - Compact	Light	13.83
10.2	SUV - Midsize	Light	13.26
10.3	SUV - Fullsize	Light	18.19
11	Van - Unassigned	Light	19.36
11.1	Van - Class 1	Light	19.36
11.21	Van - Class 2a	Light	19.99
11.22	Van - Class 2b	Light	21.10
11.3	Van - Class 3	Light	23.63
11.4	Van - Class 4+	Heavy	44.61
12	Cube/Step Van	Heavy	60.42
12.1	Cube Van	Heavy	42.97
12.2	Step Van	Heavy	57.11
13	Dump Truck - Unassigned	Heavy	41.00

Utilimarc Class Code	Utilimarc Class Name	Hydro One Type	Utilimarc VE
13.4	Dump Truck - Class 4	Heavy	33.29
13.5	Dump Truck - Class 5	Heavy	36.20
13.6	Dump Truck - Class 6	Heavy	36.58
13.7	Dump Truck - Class 7	Heavy	47.30
13.8	Dump Truck - Class 8	Heavy	65.74
14	Service Truck - Unassigned	Heavy	34.09
14.2	Service Truck - Class 2	Light	22.93
14.3	Service Truck - Class 3	Light	25.99
14.4	Service Truck - Class 4	Heavy	37.89
14.5	Service Truck - Class 5	Heavy	42.32
14.6	Service Truck Class 6+	Heavy	59.86
15	Stake Truck	Heavy	41.40
16	Bucket Truck - Unassigned	Heavy	100.90
16.5	Bucket Truck - Class 5	Heavy	88.08
16.6	Bucket Truck - Class 6	Heavy	112.88
16.7	Bucket Truck - Class 7	Heavy	112.91
16.8	Bucket Truck - Class 8	Heavy	138.02
17	Non-Insulated Bucket Truck	Heavy	42.54
18	Transmission Bucket Truck	Heavy	138.40
19	Digger Derrick - Unassigned	Heavy	101.95
19.7	Digger Derrick - Class 7	Heavy	109.90
19.8	Digger Derrick - Class 8	Heavy	116.64
20	Tanker	Heavy	61.53
21	Semi-Tractor	Heavy	66.54
22	Crane - Unassigned	Heavy	105.04
22.1	Crane - On Road	Heavy	105.04
22.2	Crane - On Road, Articulating	Heavy	95.01
24	Pressure Digger (Legacy)	Heavy	92.12
25	Track Unit - Unmounted	Off-Roads	37.61
26	Track Unit - Mounted	Off-Roads	92.12
27	Directional (Horizontal) Drill Unit	Misc POE And Trailers	56.42
28	Crane - Off Road	Off-Roads	92.12
30	Frontend Loader & Backhoe	Off-Roads	36.35
31	Skid-steer - Unassigned	Off-Roads	14.79
31.1	Skid-steer - Light	Off-Roads	18.30
31.2	Skid-steer - Heavy	Off-Roads	30.93
32	Dozer	Off-Roads	75.34
33	Trencher - Unassigned	Off-Roads	23.50

Utilimarc Class Code	Utilimarc Class Name	Hydro One Type	Utilimarc VE
33.1	Trencher - Walk-Behind	Off-Roads	14.96
33.2	Trencher - Light	Off-Roads	24.56
33.3	Trencher - Medium	Off-Roads	30.74
33.4	Trencher - Heavy	Off-Roads	44.97
34	Loader - Unassigned	Off-Roads	33.70
34.1	Loader - Light	Off-Roads	31.09
34.2	Loader - Medium	Off-Roads	44.49
34.3	Loader - Heavy	Off-Roads	54.44
35	Excavator - Unassigned	Off-Roads	24.54
35.1	Excavator - Mini	Off-Roads	22.95
35.2	Excavator - Light	Off-Roads	36.83
35.3	Excavator - Medium	Off-Roads	65.10
35.4	Excavator - Heavy	Off-Roads	44.86
38	Compactor Equipment	Off-Roads	12.82
39	Tensioner/Puller	Misc POE And Trailers	23.76
40	Brush Chipper	Misc POE And Trailers	42.87
41	Welder	Misc POE And Trailers	5.40
42	Air Compressor	Misc POE And Trailers	12.04
43	ATV/Utility Cart	Misc POE And Trailers	17.04
43.1	ATV	Misc POE And Trailers	8.05
43.2	Utility Cart	Misc POE And Trailers	10.95
44	Backyard Mobile Equipment	Off-Roads	52.85
45	Generators	Misc POE And Trailers	10.91
48	Mobile Aerial Platform	Misc POE And Trailers	18.75
49	Forklift	Misc POE And Trailers	17.06
50	Motor Grader	Off-Roads	69.11
51	Pressure Washer	Misc POE And Trailers	7.95
52	Off Road Tractor with Equipment	Off-Roads	22.27
53	Mower - Unassigned	Off-Roads	14.57
53.1	Mower - Push	Off-Roads	3.43
53.2	Mower - Riding Reel	Off-Roads	17.70
53.3	Mower - Riding Deck	Off-Roads	26.14
54	Sweeper - Unassigned	Off-Roads	13.95
54.1	Sweeper - Sidewalk	Off-Roads	21.45
54.2	Sweeper - Street	Off-Roads	172.73
55	Mobile Substation	Other	24.12
99	Misc. - Unassigned	Other	24.12

Utilimarc Class Code	Utilimarc Class Name	Hydro One Type	Utilimarc VE
99.1	Misc. - Vehicle	Heavy	72.29
99.2	Misc. - POE	Misc POE And Trailers	16.40
99.3	Misc. - Attachments	Other	24.26
99.4	Misc. - Tools	Other	4.41
100	Trailers	Misc POE And Trailers	11.73
101	Scraper	Off-Roads	4.66
102	Bus	Heavy	52.71
102.1	Bus - Passanger	Heavy	57.62
102.2	Bus - Articulating	Heavy	57.62
102.3	Bus - Paratransit	Heavy	27.72
103	Fire Truck - Unassigned	Heavy	25.01
103.1	Fire Truck - Ladder	Heavy	219.51
103.2	Fire Truck - Platform	Heavy	281.16
103.3	Fire Truck - Pumper	Heavy	173.12
103.4	Fire Truck - Quint	Heavy	235.17
103.5	Fire Truck - Support Vehicle	Heavy	36.57
103.6	Fire Truck - Boat	Misc POE And Trailers	31.12
103.7	Fire Truck - Rescue	Heavy	116.85
104	Tow Truck	Heavy	41.81
105	Vacuum Truck	Heavy	115.81
106	Cable Pulling Truck	Heavy	102.54
107	Washer Truck (Legacy)	Heavy	72.29
108	Refuse Truck - Unassigned	Heavy	241.61
108.1	Refuse Truck - Front Loader	Heavy	265.60
108.2	Refuse Truck - Side Loader	Heavy	269.85
108.3	Refuse Truck - Rear Loader	Heavy	139.94
108.4	Refuse Truck - Recycle	Heavy	109.89
108.5	Refuse Truck - Roll-Off	Heavy	109.89
109	Aerial Cable Placer	Heavy	96.06
110	Ambulance	Heavy	96.74
111	Delivery Truck (Legacy)	Heavy	72.29
112	Plow Truck	Heavy	28.30

c) Below is the definition for each of the four Utilimarc cost breakouts provided in the report. These definitions are universal for all participants in the Utilimarc benchmark analysis. These categories are listed on pages 8, 10, and 12 of the report. The calculation for the numerator matches the definitions outlined below, though the denominator will vary depending on the specific metric (per VE, per Unit, and per Kilometer). For more information on these calculations, see page 5 of the report.

- **Ownership:** The sum of all fleet leasing, rental, interest, licensing, and depreciation expenses for the calendar year.
- **Operating (Net Fuel):** The sum of all fleet mechanic labor, contract mechanic labor, and parts expenses for the calendar year.
- **Fuel:** The sum of all fleet fuel expenses for the calendar year.
- **Support:** The sum of all fleet expenses related to management/support staff, facilities cost, and shop supplies for the calendar year.

d) Given that Utilimarc's reporting system utilizes live data from its clients, a new report generated by the system at this time would be based on source data that is different from and not directly comparable against the data snapshot that underpinned the report for Hydro One.

e) The documents for the data categories that Utilimarc typically requests from a new benchmarking study participant are provided as Attachments 1 to 3.

- Attachment 1 – Utilimarc Fleet Benchmarking Study Data Requirements
- Attachment 2 – Utilimarc 2020 Benchmarking Employee Template
- Attachment 3 – Utilimarc 2020 Benchmarking Unit Template (excel format only)



## Fleet Benchmarking Study Data Requirements

### 1. Unit Data Template

Populate the Excel file named *Utilimarc 2020 Benchmarking Unit Template* for each vehicle, trailer, or power operated equipment owner or maintained by fleet. The file contains the template as well as a detailed description of the items required to populate each field within the template.

### 2. Fleet Employee Template

Populate the Excel file named *Utilimarc 2020 Benchmarking Employee Template* for each employee who works under the fleet department. Names are optional and will not be displayed in any report (online or offline) unless specifically requested by the client providing the information. However, identifying employees with a name or code number can be helpful when validating reports year over year.

### 3. Financial Cost Summary

Please provide a summary document detailing total fleet related charges to a fleet cost center or FERC 184 account. This data, usually provided by your accounting department, is compared against the cost information logged in your fleet management system to capture your true cost for the year. There is no template for this report, but the document should contain information related to the following cost items:

- Lease/rental cost
- Depreciation cost
- License/title cost
- Payroll cost (total)
- Fringe benefit cost (total)
- Parts/materials cost
- Vendor work cost (labor and/or parts)
- Fuel cost
- Maintenance facility cost
- Management administration cost

This information can be provided in more detail and in multiple files, based on what type of reporting is readily available to your organization. Please speak to your Utilimarc analyst if you have any questions related



Employee Name	Employee Code	Classification	Report To	Garage Location	Region or Company	Date of Hire	Date Out of Fleet (Only if Hourly Rate or Annual Salary)	Mechanic Percentage
1 Optional	Full time	Mechanic	Supervisor 1			1/1/1985		\$0.00 100.00%
2	Full time	Mechanic	Supervisor 1			1/1/1985		\$0.00 100.00%
3	Full time	Mechanic	Supervisor 1			1/1/1985		\$0.00 100.00%
4	Full time	Mechanic	Supervisor 1			1/1/1985		\$0.00 100.00%
5	Full time	Mechanic	Supervisor 1			1/1/1985		\$0.00 100.00%
6	Full time	Mechanic	Supervisor 1			1/1/1985		\$0.00 100.00%
7	Full time	Mechanic	Supervisor 2			1/1/1985		\$0.00 100.00%
8	Full time	Mechanic	Supervisor 2			1/1/1985		\$0.00 100.00%
9	Full time	Lub Tech	Supervisor 2			1/1/1985	12/1/2014	\$0.00 0.00%
10	Full time	Helper	Supervisor 2			1/1/1985		\$0.00 0.00%
11	Full time	Foreman or Lead	Supervisor 2			1/1/1985		\$0.00 75.00%
12	Full time	Foreman or Lead	Supervisor 1			1/1/1985		\$0.00 90.00%
13	Full time	Supervisor 1	Manager			1/1/1985		\$0.00 0.00%
14	Full time	Supervisor 2	Manager			1/1/1985		\$0.00 0.00%
15	Full time	Administrative	Director			1/1/1985		\$0.00 0.00%
16	Full time	Administrative	Manager			1/1/1985		\$0.00 0.00%
17	Full time	Manager	Director			1/1/1985		\$0.00 0.00%
18	Full time	Director	VP			1/1/1985		\$0.00 0.00%
19	Full time	Spec writer	Director			1/1/1985		\$0.00 0.00%

Please complete this template for all of the employees that work in the fleet department. This includes mechanics, foreman, garage helpers, parts personel, admin support, analysts, supervisors, managers, director, etc.

Names are optional.

In the 'Mechanic Percentage' column, this the the percent of time working on mechanic related duties.

For instance, a mechanic will go to safety meetings, work on units, etc. for 100% of their time. A Foreman may do supervisory duty 25% of their time and therefore be 75% of a normal mechanic.

Also, please include your benefit rate and total overtime expense for the data year provided

Benefit Rate:

Total Overtime Expense:

## UNDERTAKING JT-4.25

**Reference:**

I-22-A-SEC-004

**Undertaking:**

To provide net income information to the extent possible for the historical years, and confidentially for forecast information.

**Response:**

The 2021 Team Scorecard including the Net Income has been provided as Attachment 1 to this undertaking.

The response to JT-4.24 reflects 2018 – 2020 Team Scorecard measures including Net Income.

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# 2021 Team Scorecard

2021 Team Scorecard						
Corporate Goal	Component Weight	Measure & Definition	Sub Component Weight	Performance Levels		
				Threshold	Target	Exceeds
Health and Safety	20%	Serious Injuries and Fatalities*: <i>Incidents per 200,000 hours</i>	50%	0.168	0.107	0.091
		Recordable Incidents: <i>Incidents per 200,000 hours</i>	50%	1.040	0.923	0.849
Work Program	20%	Transmissions (Tx) Reliability – average length of unplanned interruptions to multi-circuit supplied delivery points (SAIDI): <i>Minutes per Delivery Point</i>	25%	8.0	7.7	5.3
		Distribution (Dx) Reliability – average length of outages in hours that a customer experiences (SAIDI): <i>Hours per Customer</i>	25%	6.8	6.1	5.0
		Tx In Service Additions - Delivery Accuracy: <i>Variance (%) to approved budget of \$1,006M</i>	25%	+/- 5.0%	+/-2.0%	+/-1.0%
		Dx In Service Additions - Delivery Accuracy: <i>Variance (%) to approved budget of \$700M (Dx Application)</i>	25%	+/- 3.0%	+/-2.0%	+/-1.0%
Productivity	10%	Productivity Savings: <i>in \$M</i>	100%	\$259.5	\$305.3	\$335.8
Financial	30%	Net Income to Common Shareholders: <i>in \$M</i>	100%	\$839	\$895	\$951
Customer	20%	Residential and Small Business Customer Satisfaction: <i>Overall Favourable Impression</i>	100%	76%	85%	88%

\* If the company has a fatality, the attained Serious Injuries & Fatality measure will be reduced to 0% based on the findings of the System Investigation.

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Measure	2021					
	Weighting	Threshold	Target	Exceeds	Performance	Achievement
Serious Injuries and Fatalities*	10.0%	0.168	0.107	0.091	0.170	0.00%
Recordable Incidents	10.0%	1.040	0.923	0.849	0.740	150.00%
Transmissions (Tx) Reliability	5.00%	8.0	7.7	5.3	4.2	150.00%
Distribution (Dx) Reliability	5.00%	6.8	6.1	5.0	6.5	71.43%
Tx In Service Additions	5.00%	+/- 5%	+/- 2%	+/- 1%	0.9%	150.00%
Dx In Service Additions	5.00%	+/- -3%	+/- 2%	+/- 1%	1.6%	121.43%
Productivity Savings	10.0%	\$259.5	\$305.3	\$335.8	\$343.9	150.00%
Net Income to Common Shareholders	30.0%	\$839	\$895	\$951	\$965	150.00%
Overall Favourable Impression	20.0%	76%	85%	88%	84%	94.44%
<b>Total Scorecard Performance</b>	<b>118.53%</b>					