

# Paliare Roland

Daniel Rosenbluth  
Paliare Roland Rosenberg Rothstein LLP  
155 Wellington St. West, 35<sup>th</sup> Floor  
Toronto, ON M5V 3H1

daniel.rosenbluth@paliareroland.com  
T. 416.646.6307 / F. 416.646.4301

File # 101254

May 25, 2023

**VIA EMAIL**

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: EB-2022-0318- IESO 2023-2025 Revenue Requirements Applications**

Attached please find the interrogatories of the Power Workers' Union in this matter.

Yours very truly,  
Paliare Roland Rosenberg Rothstein LLP



Daniel Rosenbluth  
DR:AB

**Encl.**

**Independent Electricity System Operator  
Application for Approval of 2023, 2024 & 2025  
Expenditures, Revenue Requirement, and Fees**

**Power Workers' Union Interrogatories**

**ISSUE 1: Revenue Requirement, Operating Costs and Capital Spending**

1.4 Is the IESO's 2023 projected staffing levels and compensation (including salaries, benefits, pensions and other post-employment benefits) appropriate?

**1.4-PWU-1**

Ref 1: Exhibit A/ Tab 1/ Schedule 5/Page 5 of 7

**Budgeted compensation expenses are based on Bill 124, a provincial law affecting wages for Society and Power Worker Union employees by limiting economic salary increases over the corresponding moderation periods. Bill 124 was struck down by the Ontario Superior Court of Justice on November 29, 2022; however, the Ontario government filed an appeal in response and Bill 124 remains in effect (See Exhibit D-1-3 Staffing and Compensation for additional information).**

Question(s):

- a) Have the PWU and/or The Society indicated to the IESO that they may be seeking enhanced wages for the periods their members' compensation has or would have been restrained due to Bill 124?
- b) In the event that the Superior Court's ruling is upheld and the unions seek to recover compensation lost due to Bill 124, how is the IESO prepared to address the revenue requirements deficits thereof?
- c) In preparing the current application, did the IESO consider the establishment of a variance account to record potential revenue requirement impacts resulting from the Court's decision?

**1.4-PWU-2**

Ref 1: Exhibit D/Tab 1/Schedule 3 Plus Attachment(s) Page 1 of 11

**The 2022 average FTEs of 799 was below 2022 OEB approved budget levels of 827 average FTEs as a result of labour market conditions which led to an increase in voluntary attrition and retirements beginning in late 2021 and continuing through 2022.**

Question(s):

- a) Please describe the labour market conditions that led to an increase in voluntary attrition and retirements beginning in late 2021 and continuing through 2022.
- b) Were the actual voluntary attritions and retirements stated in Ref. 1 higher than budgeted/planned by the IESO?
- c) Did the IESO make an effort to hire staff to deal with the staff attrition and retirements?
- d) How did IESO deal with the impact, if any, of the staff attrition on its core operations and execution of initiatives? Were there initiatives and projects that were deferred?

#### **1.4-PWU-3**

Ref 1: Exhibit D/Tab 1/Schedule 3 Plus Attachment(s) Page 1 of 11

**For 2023, the IESO has a budget of 914 FTEs to deliver on key initiatives that are critical to maintaining its core operations, to support the significant transformation of the electricity sector, and to support the Market Renewal Program (MRP).**

Question(s):

- a) The 2023 FTE of 914 represents an increase of 115 FTEs over the 2022 FTEs of 799. Please break down the 115 FTEs by representation – Management, PWU, Society
- b) How many of the 115 FTEs have been filled so far in 2023?

#### **1.4-PWU-4**

Ref 1: Exhibit D/Tab 1/ Schedule 3 Plus Attachment(s) Page 2 of 11, Table 1: Staffing and Operating Compensation Expenses

Question(s):

- a) Please reproduce Table 1 showing the breakdown of Non-management Regular and Temporary by union representation – PWU and Society

#### **1.4-PWU-5**

Ref 1: Exhibit G/Tab 2/ Schedule 1 Page 10 of 10, Table 9: 2023 - 2025 Full Time Equivalents

Question(s):

- a) Please reproduce Table 9 showing the breakdown of FTEs by employee representation – PWU, Society, etc.

#### **1.4-PWU-6**

Exhibit D/Tab 1/ Schedule 3 Plus Attachment(s) Page 6 of 11

Questions:

- a) The reference indicates that the IESO plans to undertake negotiated plan changes with respect to pension including changes to: (i) the undiscounted early retirement rule from Rule 85 to Rule 82 and (ii) the average period required to qualify for pensionable retirement -from 36 months to 60 months. Please describe the status of the negotiations/agreements with the PWU and The Society with respect to these two planned changes.

#### **4.0 Market Renewal Program (MRP)**

4.1 Is the reporting on financial and operational performance of the MRP appropriate?

#### **4.1-PWU-7**

Ref 1: Exhibit A/Tab 1/Schedule 5 Page 6 of 7

**In August 2022, the IESO's Board of Directors approved a revised project schedule which included a revised in-service date of May 2025, and a forecast budget of \$233 million.**

Question(s):

- a) What were the reasons why the previously communicated in-service date of November 2023 (baseline 4 or BL4) was no longer feasible?
- b) How many times has the IESO revised the MRP project schedule and cost since its inception?
- c) How confident is the IESO that the May 2025 in-service date will be met? Please identify and describe any risks that could delay the proposed in-service date and/or increase the forecast budget of \$233 million.