

1 **Association of Major Power Consumers in Ontario Interrogatory # 37**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 **Reference:**

9 C1-01-02 Tables 1 - 5

10
11 **Interrogatory:**

12 a) Please update Tables 1 to 5 with 2017 actuals.

13
14 **Response:**

15 a) This information will be provided once Hydro One's 2017 audited actuals become available.

1 **Association of Major Power Consumers in Ontario Interrogatory # 38**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 **Reference:**

9 C1-01-02

10
11 **Interrogatory:**

12 a) Please provide a table that sets out the % of Stations and Lines assets that are (1) inspected,
13 (2) tested and (3) maintained in each of the years 2012 to 2017.

14
15 **Response:**

16 a) Please see table below for the percentage of stations and line assets that are inspected, tested
17 and maintained in each of the years 2012 to 2017.

18

	2012	2013	2014	2015	2016	2017
Lines Assets						
Inspected/ Tested/ Maintained	15%	18%	10%	26%	19%	16%
Stations Assets						
Inspected/ Tested/ Maintained	86% / 99% / 6%	96% / 97% / 3%	96% / 95% / 4%	98% / 96% / 5%	90% / 96% / 4%	99% / 96% / 4%

1 **Association of Major Power Consumers in Ontario Interrogatory # 40**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-02 Page: 8-11 Planned Preventive Station Maintenance
10

11 **Interrogatory:**

- 12 a) Please provide the total quantity of inspections and testing for each of the years 2012 to 2017
13 and the forecast for 2018.
14
- 15 b) Have time-based inspections and testing frequencies changed since 2014? If yes, please
16 explain.
17
- 18 c) Please provide the number of assets maintained (condition-based maintenance) for the years
19 2012 to 2017 and forecast for 2018.
20

21 **Response:**

- 22 a) Please see table below for the total quantity of inspections and testing for each of the years
23 2012 to 2017 and forecasted number for 2018.

	2012	2013	2014	2015	2016	2017	2018
Quantity of Inspections	5734	6038	6066	6250	5824	6618	6209
Quantity of Tests	2074	2023	2012	2012	2133	2120	2198

- 24
- 25 b) Testing frequencies have not changed since 2014. However in 2018, station thermovision
26 inspection frequencies have been changed from once per year to once every two years.
27
- 28 c) Please see table below for the number of assets maintained (based on condition) for the years
29 2012 to 2017 and the forecast for 2018.

	2012	2013	2014	2015	2016	2017	2018
Number of Assets Maintained (Condition Based)	489	445	468	502	443	512	596

1 **Association of Major Power Consumers in Ontario Interrogatory # 41**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-02 Page: 17-18 Line Maintenance
10

11 **Interrogatory:**

- 12 a) Page 17: Please discuss if Hydro One has made any changes to its inspection, testing and
13 preventive and corrective maintenance practices on line equipment since 2014.
14
15 b) Page 18: Please provide the quantity of inspections and testing for each of the years 2012 to
16 2017 and the forecast for 2018.
17
18 c) Page 18: Please provide the volume of assets maintained (preventive/corrective) for the years
19 2014 to 2017.
20
21 d) Page 18: Please provide the volume of defect corrections per years for the years 2014 to
22 2017.
23

24 **Response:**

- 25 a) Hydro One's line maintenance practices (as documented in Section 3.2.4 in Exhibit C1, Tab
26 1, Schedule 2) have not materially changed since Hydro One's last rate application (EB-
27 2013-0416, Exhibit C1, Tab 2, Schedule 2). However, Hydro One is considering including
28 more quantitative pole testing methods within the existing line patrol program as documented
29 in interrogatory response Exhibit I-25-Staff-126.
30
31 b) Please see table below for the quantity of inspections and testing for each of the years 2012
32 to 2017 and the forecast for 2018.

	2012	2013	2014	2015	2016	2017	2018
Inspection and Testing (# of units)	297,902	361,112	199,999	525,098	368,981	316,578	350,000

- 1 c) Please see table below for the volume of assets maintained under preventative maintenance
2 for the years 2014 to 2017. The corrective maintenance only includes the defect correction
3 program, see response to part (d).

	2014	2015	2016	2017
Preventive Maintenance (<i># of units</i>)	4422	7210	6208	3176

- 4
5 d) Please refer to interrogatory response Exhibit I-38-Staff-191 part (a) for the volume of defect
6 corrections per year.

1 **Association of Major Power Consumers in Ontario Interrogatory # 42**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 **Reference:**

9 C1-01-02 Page: - PCB Equipment and Waste Storage

10
11 **Interrogatory:**

12 a) Please provide the number of PCB inspections and testing per year for each of the years 2012
13 to 2017.

14
15 **Response:**

16 a) Please refer to interrogatory response Exhibit I-38-Staff-192 part (d).

1 **Association of Major Power Consumers in Ontario Interrogatory # 43**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-02 Page: - Other Services
10

11 **Interrogatory:**

12 a) Please provide the number of customer inquiries related to line relocations for each of the
13 years 2012 to 2017 and forecast for 2018.
14

15 **Response:**

16 a) Hydro One does not track customer inquiries by type, thus, specific details on line relocations
17 inquiries are not available. For a summary of the total of all customer inquiries addressed
18 between 2012 and 2017 and the 2018 forecast; please see table below.
19

Year	Number of Inquiries
2012	6,787
2013	6,837
2014	6,852
2015	7,909
2016	7,601
2017	5,310
2018	6,900

20

1 **Association of Major Power Consumers in Ontario Interrogatory # 44**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-02 Meters Telecom and Control
10

11 **Interrogatory:**

- 12 a) Please provide the quantity of retail revenue meters maintained for each of the years 2012 to
13 2017 and the forecast for 2018.
14
15 b) Please provide the volume of wholesale revenue meters maintained for each of the years
16 2012 to 2017 and the forecast for 2018.
17

18 **Response:**

- 19 a) Please see table below for the retail revenue meters maintained from 2012 to 2017 and the
20 forecast for 2018.
21

	2012	2013	2014	2015	2016	2017	2018
Retail Meters	1,215,000	1,235,000	1,248,000	1,280,000	1,320,000	1,355,000	1,380,000

- 22
23 b) Please see the table below for the wholesale revenue meters maintained from 2012 to 2017
24 and the forecast for 2018.
25

	2012	2013	2014	2015	2016	2017	2018
Wholesale Meters	900	920	880	860	850	840	830

1 **Association of Major Power Consumers in Ontario Interrogatory # 45**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-02 Page: - Vegetation Management
10

11 **Interrogatory:**

- 12 a) Please provide the number of FTEs under Vegetation Management in the following
13 Employee Classifications (Regular, Non-Regular, Casual and Contract Staff) for each of the
14 years 2012 to 2017 and forecast for 2018.
15
- 16 b) Please provide the forecast and achieved cycle length in each year of the years 2012 to 2017
17 and the forecast for 2018.
18
- 19 c) Please provide the actual unit accomplishments compared to forecast unit accomplishments
20 for the years 2012 to 2017 under each of the categories of spend in Table 5 on Page 29.
21
- 22 d) Please provide the total km of high-impact right of ways and total km of low-impact right of
23 ways.
24
- 25 e) Please quantify the km of high-impact right of ways and km of low-impact right of ways
26 addressed in each of the years 2012 to 2017 and forecast for 2018.
27
- 28 f) Please define and quantify the current backlog in vegetation maintenance.
29
- 30 g) In what year will Hydro One regain control of backlogged maintenance?
31
- 32 h) Please provide the total number of trees and the number of trees addressed annually for each
33 of the years 2012 to 2017 and the forecast for each of the years 2018 to 2022.
34

35 **Response:**

- 36 a) Please see table below for the number of Full Time Equivalent working on all distribution
37 vegetation management programs between 2012 to 2017 and forecast for 2018.

Witness: GARZOUZI Lyla

Employee Classification	2012	2013	2014	2015	2016	2017	2018
Regular	443	446	451	463	470	458	445
Non-Regular (<i>including apprentices, high skilled foresters, mechanical and technicians</i>)	253	254	263	254	255	276	388
Casual (<i>Hiring Hall Laborers</i>)	259	254	209	91	205	119	83
Contracts	0	0	0	0	0	3	5
Total	955	954	923	808	930	856	921

- 1
 2 b) Please see table below for the forecast and achieved cycle length in each year of the years
 3 2012 to 2017 and the forecast for 2018.

Year	Forecasted Cycle	Achieved Cycle
2012	9.4	9.3
2013	10.1	10.0
2014	10.6	11.0
2015	10.2	10.0
2016	9.5	8.8
2017	8.7	7.2
2018	3.0	-

- 4
 5 c) Please see table below for actual unit accomplishments compared to the forecasted units for
 6 planned distribution vegetation management programs for the years 2012 to 2017.
 7

		Landowner Notification (km)	Line Clearing (km)	Brush Control (km)	Hazard Tree Removal (trees removed)
2012	Forecasted	11,116	11,116	11,116	650
	Actual	10,056	11,195	11,557	706
2013	Forecasted	10,200	10,258	10,258	650
	Actual	10,382	10,378	10,448	660
2014	Forecasted	9,800	9,800	9,800	650
	Actual	9,748	9,474	6,177	193
2015	Forecasted	10,200	10,200	10,200	650
	Actual	8,711	10,366	3,497	0
2016	Forecasted	11,000	11,000	11,500	650
	Actual	10,234	11,753	14,031	0

1

		Cycle Clearing (km)	Tactical Maintenance (km)	Hazard Tree Removal (trees removed)
2017	Forecasted	8,500	3,500	8,500
	Actual	10,767	3,615	8,567

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- d) The vegetation management strategy originally filed in Exhibit C1, Tab 1, Schedule 2 focused on high and low impact right-of-ways has been replaced by the new strategy outlined in Exhibit Q, Tab 1, Schedule 1 in which all the rights-of-way will now be managed using a defect based approach with a three year maintenance cycle addressing approximately 34,666 kilometers annually.
- e) Please see response to part (d).
- f) Please refer to interrogatory response Exhibit I-38-PWU-21 part (b).
- g) The revised vegetation management strategy outlined in Exhibit Q, Tab 1, Schedule 1, will allow Hydro One to eliminate its backlog more quickly and improve the overall condition of its right-of-ways by 2022.
- h) Please see table below for the number of trees treated in all distribution vegetation management programs for each of the years 2012 to 2017, and forecasts for 2018 to 2022.

	Year	Trees Treated
Actual	2012	834,951
	2013	888,078
	2014	924,167
	2015	798,284
	2016	880,237
	2017	820,237
Forecast	2018	730,000
	2019	730,000
	2020	730,000
	2021	590,000
	2022	590,000

20

1 **Building Owners and Managers Association Toronto Interrogatory # 54**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 A-03-01-04 Page: 3
10

11 **Interrogatory:**

- 12 a) How many km of lines have been moved to road allowance? What percentage of which off
13 road sections does that represent? What is the plan? Please provide detail on "enabling
14 control room" visibility and controllability of many devices.
15
16 b) Please provide a copy of the assessment of past maintenance expenditures and activities.
17
18 c) p4 – Please provide a copy of the EPRI study.
19
20 d) Is there a disconnect here between Hydro One's response and AG's comments?
21

22 **Response:**

- 23 a) Between 2015 to 2017 approximately 100 km of off-road line has been relocated to road
24 allowance under Hydro One programs, which represents approximately 0.5% of our total off-
25 road right-of-way kilometers, system-wide. For the period 2018 to 2022, Hydro One plans to
26 relocate approximately 400 km of off-road line to road allowance under Hydro One
27 programs, which represents approximately 2% of our total off-road right-of-way kilometers,
28 system-wide. For more details on how we are enabling control room visibility, please refer
29 to ISD SS-07 in Exhibit B1, Tab 1, Schedule 1, DSP Section 3.8.
30
31 b) Hydro One has filed this assessment under Exhibit I-24-Staff-115 part (b).
32
33 c) This is a report commissioned by Hydro One Transmission, and is related to the transmission
34 transformer fleet not distribution assets, and therefore not relevant to this distribution rate
35 filing.
36
37 d) Hydro One's response to the AG recommendations related to distribution assets are consistent.

Witness: GARZOUZI Lyla

1 **Building Owners and Managers Association Toronto Interrogatory # 147**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 **Reference:**

9 Auditor General Report Page: Appendix A

10
11 **Interrogatory:**

12 p6 – Please provide a status report on the implementation of Table 28 with respect to the
13 bundling of preventative maintenance programs.

14
15 **Response:**

16 There is no Table 28 on page 6 of the Auditor General Report Appendix A or in Hydro One's
17 Internal Audit Appendix A (Exhibit A, Tab 3, Schedule 1, Attachment 3, page 6). Furthermore,
18 the reference to bundling of preventative maintenance programs in the Internal Audit Appendix
19 A is with regards to Hydro One Transmission and therefore not relevant to this distribution rate
20 filing.

1 **Building Owners and Managers Association Toronto Interrogatory # 154**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 **Reference:**

9 Financial Statements Page: 7

10
11 **Interrogatory:**

12 Please explain the following statement at p7:

13
14 *"lower bad debt in 2016 due to revised estimates of uncollectable accounts resulting from*
15 *the stabilization of the customer information system".*

16
17 **Response:**

18 Hydro One's bad debt provision rates reflect the company's best estimate of overdue accounts
19 receivable balances and amounts that will be uncollectable or written off in the future. This is
20 based on the aging of accounts receivables, the probability of default, and historical trends.

21
22 In May 2013, Hydro One introduced a new Customer Information System (CIS). There were
23 a number of issues shortly after implementation, which resulted in some customers not
24 receiving their bills in a timely manner, or some customers receiving bills based on estimated
25 usage. Since Hydro One was unable to send customers timely and accurate bills, it was
26 decided that the best course of action was to suspend the collections program.

27
28 In December 2013, shortly after the implementation of the CIS, the provision rates were revised
29 to reflect the increased risk of uncollectible accounts receivables following Hydro One's decision
30 to suspend all collections activity.

31
32 As a result of Hydro One's collections risk profile improvement since the reactivation of
33 collections in 2016, Hydro One modified its provision rates in 2016 to more accurately reflect its
34 bad debt exposure. This resulted in management revising its estimate of doubtful accounts,
35 which reflects the Company's best estimate of losses on billed accounts receivable balances.

36
37 Please refer to Exhibit C1-01-05 for additional details on Net Bad Debt.

Witness: CHHELAVDA Samir

1 ***Consumers Council of Canada Interrogatory # 33***

2
3 ***Issue:***

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 ***Reference:***

9 None
10

11 ***Interrogatory:***

12 Please describe, in detail, the policy mentioned at the Presentation Day regarding “service
13 guarantees”. Has this policy and the resulting payments been factored into the 2018 revenue
14 requirement? If not, why not? If so, what is the impact on the proposed revenue requirement for
15 2018?
16

17 ***Response:***

18 Refer to Exhibit I-2-Staff-2 for a description of Hydro One’s service guarantees and the
19 associated cost contribution to the 2018 revenue requirement.

Consumers Council of Canada Interrogatory # 34

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Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

None

Interrogatory:

Please describe, in detail, the prepaid meter policy referred to at the Presentation Day. How does this policy specifically impact the request for relief included in the current application?

Response:

Please refer to Exhibit I-2-Staff-7. The capital forecast for the program is reflected in the Application.

1 **Consumers Council of Canada Interrogatory # 35**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 None
10

11 **Interrogatory:**

12 Please set out, in detail, all of the costs (actual to date, and forecast) and the benefits related to
13 the new bill redesign? Please provide details of all customer engagement activities undertaken
14 by HON regarding new bill redesign.
15

16 **Response:**

17 Please refer Exhibits I-2-Staff-8 and I-2-Staff-9.

1 **Consumers Council of Canada Interrogatory # 36**
2

3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 A-04-01 Page 6
10

11 **Interrogatory:**

12 Please provide a detailed budget for the 2018 External Relations Department. Please provide the
13 actual costs incurred by this department in 2015, 2016, and 2017.
14

15 **Response:**

16 The costs for the External Relations department are constant throughout 2015 to 2018, as
17 outlined below:

- 18 • 2015 Actual Costs – \$1.9M
19 • 2016 Actual Costs – \$1.9M
20 • 2017 Actual Costs – Audited 2017 actuals are unavailable at the time of writing this
21 response. Hydro One will provide audited 2017 actuals after they become available.
22 • 2018 Budget – \$2M

1 **Consumers Council of Canada Interrogatory # 37**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 A-04-01 Page 7
10

11 **Interrogatory:**

12 What is the annual cost of the Ombudsman Office included in the 2018 Revenue Requirement?
13 Please describe how this office operates. Please provide the 2016 Report to the HON Board of
14 Directors prepared by this office. Please file the 2017 Report if it is available. Please provide all
15 data regarding the number of complaints, the nature of the complaints etc. for 2016 and 2017.
16 How does the Ombudsman assess whether a complaint is “resolved”? Please identify any
17 areas/issues where the Ombudsman has flagged the need for improvement.
18

19 **Response:**

20 The Office of the Hydro One Ombudsman thanks you for your questions. We operate
21 independently of Hydro One (the “company”) and report directly to the Board of Directors. We
22 do not provide reports to company management. While we appreciate that the company has
23 included the office in its description of its customer service strategy, the Office of the Hydro One
24 Ombudsman is not involved in any of the company’s business or strategy planning including
25 planning by the Customer Service Department. Our Terms of Reference and Mandate are
26 available on our website at: <http://www.hydrooneombudsman.com/>
27

28 The annual cost of our office included in the 2018 Revenue Requirement is \$1.3 million.
29

30 A description of the way our office operates may be found on our website at:
31 <http://www.hydrooneombudsman.com/our-process/what-happens-next/>

1 **Step 1: Complaint Assessment**

2 Once we receive your complaint, we'll review it and get in touch with you to establish
3 the best way to help you.

4
5 If the Ombudsman doesn't have jurisdiction, we will provide referral information and
6 appeal options. We will also give you information and advice on how to address the
7 concerns.

8
9 If the Ombudsman has jurisdiction, we will determine whether the issue can be resolved
10 using various dispute resolution techniques.

11
12 **Step 2: Complaint Review and Resolution**

13 The Ombudsman's office will try to resolve a complaint without a formal investigation
14 using a variety of dispute resolution techniques when the following criteria are met:

- 15 • The complainant has provided enough details and relevant information to make
16 inquiries
- 17 • The complaint is straightforward
- 18 • The situation is urgent (e.g., the complainant is at risk of losing power or a serious
19 economic situation)
- 20 • The complainant and decision-maker are receptive to the approach
- 21 • There is no impact on the long-term implementation of the service and the
22 resolution fits within the existing policies and procedures of Hydro One
- 23 • There is a reasonable chance of resolution within a timely framework

24 Early resolution techniques—shuttle diplomacy, mediation, negotiation, and
25 facilitation—provide the complainant with an opportunity to be heard and to identify and
26 clarify issues. In most cases, the process allows the parties, both the complainant and
27 Hydro One, to reach satisfactory conclusions including a better understanding of the issue
28 from each other's perspective.

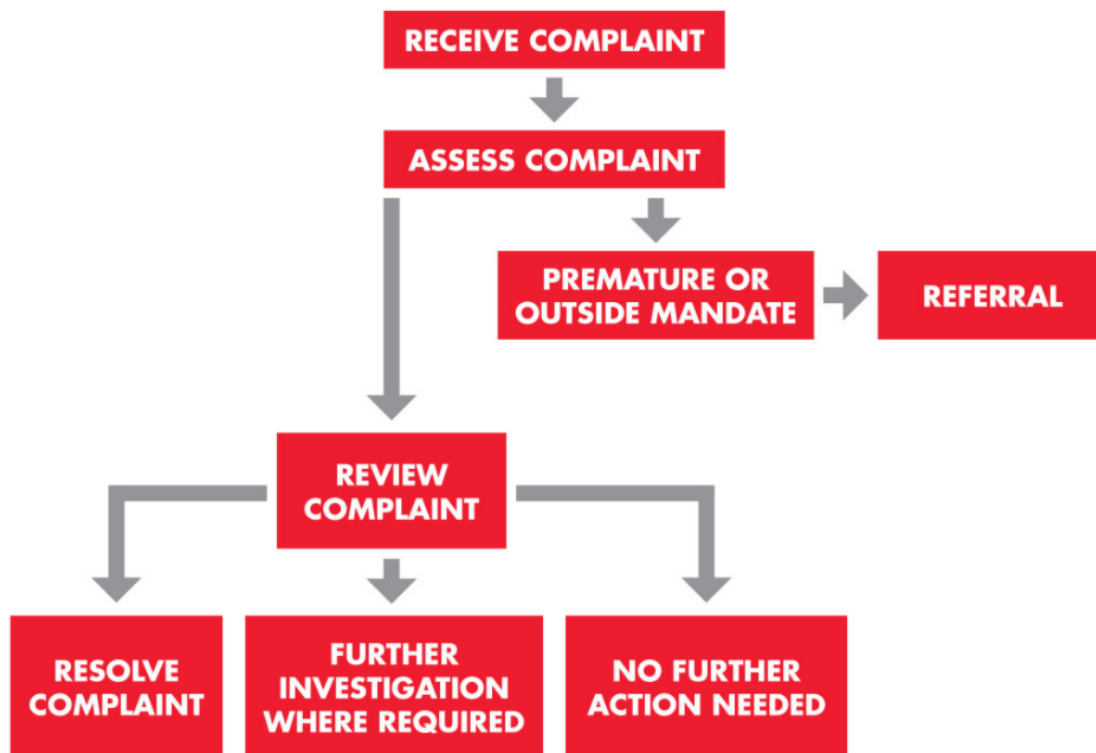
29
30 **Step 3: Formal Investigation**

31 A formal investigation may be started when the following criteria are met:

- 32 • The complaint is complex
- 33 • The complaint involves multiple issues
- 34 • The issues are systemic or system wide
- 35 • The Ombudsman decides to initiate an investigation to examine root causes
- 36 • The Ombudsman will notify the CEO in writing that an investigation is being
37 started.

1 If at any time during the investigation the complaint can be resolved, either because the
2 complaint is not disputed or information can be provided that will resolve it, the
3 complaint may be resolved and closed with the Ombudsman's agreement.

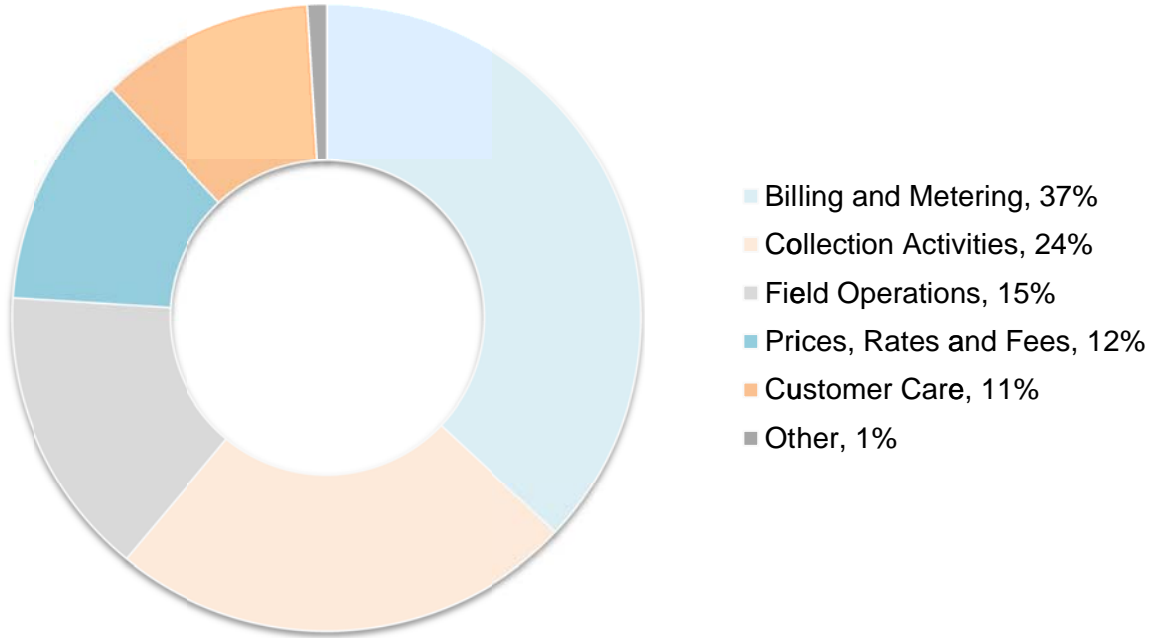
4
5 When an investigation is started, the Ombudsman has no opinion about its outcome and
6 remains impartial throughout the process. At the end of a formal investigation, the
7 Ombudsman will write a report outlining the outcome, the reasons for the conclusions
8 and/or any recommendations, as required.
9



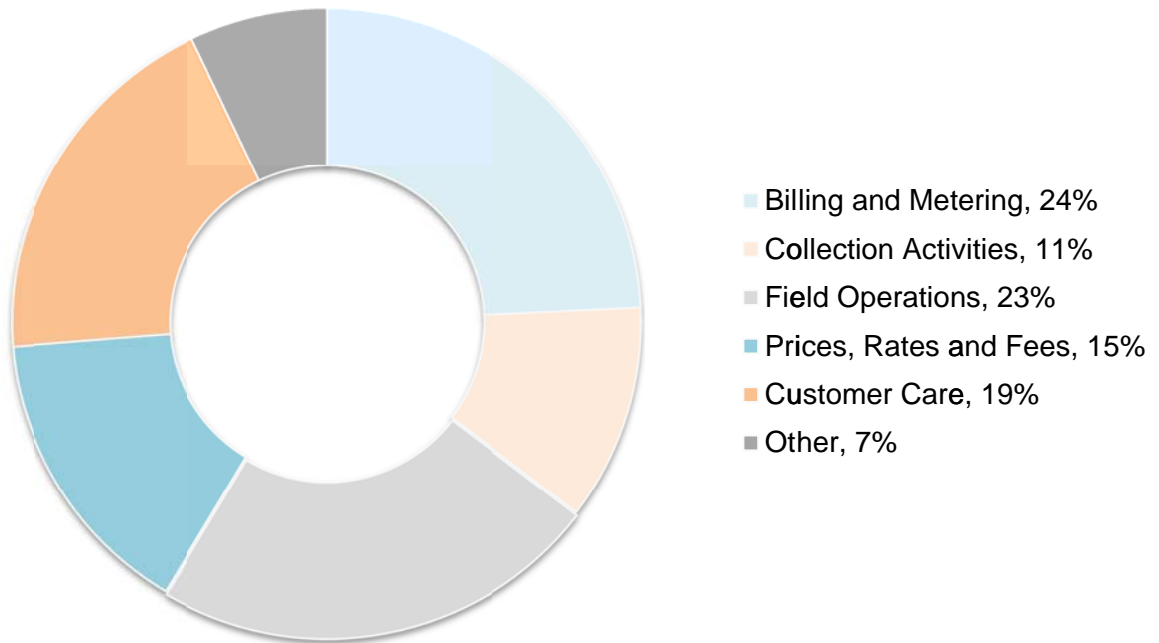
10
11
12 A further description of how the Office of the Hydro One Ombudsman operates may be found in
13 the Hydro One Office of the Ombudsman, Annual Report 2016, attached and available online at:
14 <http://www.hydrooneombudsman.com/more-info/2016-annual-report/>. The 2017 Annual Report
15 will be finalized in February 2017 and will be posted on the ombudsman's website at
16 <http://www.hydrooneombudsman.com>.

17
18 In 2016, the office received 1,919 complaints which were broken down as follows:

Witness: PUGLIESE Ferio



1
2 In 2017, the office received 1,064 complaints which were broken down as follows:



3
4

1 For information on when the office considers a complaint “resolved”, please see our response to
2 your question about our process, above, and on our website.

3 In 2016, the office identified a number of areas for improvement including as follows:

- 4 • Recommendations on the improvement of front line customer service
- 5 • The identification of delays and consequent improvements by the insurance
6 adjuster in getting back to people and processing their insurance claims in a more
7 timely manner
- 8 • Working with managers to simplify letters sent to customers, using plain language
9 and communicating clearly
- 10 • Recommendations on measures that could be taken to repair relationships with
11 communities and neighbourhoods once mistakes have been made
- 12 • Correction of information on the website and making the information in French
13 clearer and more accessible
- 14 • Better coordination between the Forestry and Lines Service programs to ensure
15 the more rapid removal of cut trees and branches
- 16 • Changes to how the company tells customers about planned outages
- 17 • Modifications in how managers in the field investigate complaints about service
18 (p. 10, Hydro One Office of the Ombudsman Annual Report 2016)

19
20 In 2017, the office identified a number of areas for improvement including as follows:

- 21 • Improvements to the tracking and reporting of complaints, including
22 implementing a centralized system to better capture issues arising from the field
- 23 • Improvements to the way the company charges residential customers for new
24 connections and service upgrades, including improving the accuracy of charges
25 and providing greater detail on service contracts
- 26 • Improvements to the process for entering private property to access Hydro One
27 assets by giving proper notice of entry
- 28 • Improvements to the process by which customers submit insurance claims for
29 damages they believe Hydro One should be responsible for, with a view to
30 making the process faster and more fair and transparent
- 31 • Honouring old but valid agreements allowing certain vegetation on Hydro One
32 rights of way (unless to do so would give rise to safety or reliability concerns)
- 33 • Expediting the implementation of a simpler process for the transfer of microFIT
34 contracts



Hydro One Office of the Ombudsman
Annual Report
2016

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To the Chair of Hydro One David Denison and members of the Board of Directors

Pursuant to the Ombudsman's Mandate and Terms of Reference, I am submitting the first Annual Report for the period March 14, 2016 to December 31, 2016.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sophie Petrillo', is written over a light grey circular watermark.

Sophie Petrillo
Acting Manager

Office of the Ombudsman
Hydro One Inc.
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1.0 Opening Message

The Office of the Ombudsman is pleased to submit its first Annual Report to the company's Board of Directors. This report covers the period from the opening of the office on March 14, 2016 to December 31, 2016.

Hydro One is required by Ontario's *Electricity Act* to have an Ombudsman. The mandate for the Ombudsman was approved by the Board of Directors in October 2015. Fiona Crean was appointed as the company's first Ombudsman at the end of 2015 and held this position until March 2017. Ms. Crean's leadership and guidance during our first year of operation was invaluable and we thank her for all of her work in establishing an office dedicated to fairness and accountability in the administration of Hydro One's services. We will continue to build on this strong foundation.

The Office opened for business in March 2016, after hiring staff, building our website, and developing the standards and procedures for handling complaints. We have posted these standards on our website so that the public can know what we do, what we cannot do and what to expect from us.

Our focus is twofold. We respond to individual complaints and help senior managers identify and proactively make improvements to service. This collaborative approach is essential, as advising and giving feedback to management is the best way to solve problems before they happen. While independence from the management and operations of an organization is fundamental to the work of an ombudsman, independence alone will not ensure the Office's success. The hard work of the Ombudsman team is showing positive results for Hydro One. Our work has been aided by the many Hydro One employees who have helped us understand their responsibilities.

On a final note, we wish to thank the many members of the public who filed complaints and told us their stories.



Sophie Petrillo
Acting Manager
Hydro One Office of the Ombudsman

2.0 The Story by the Numbers

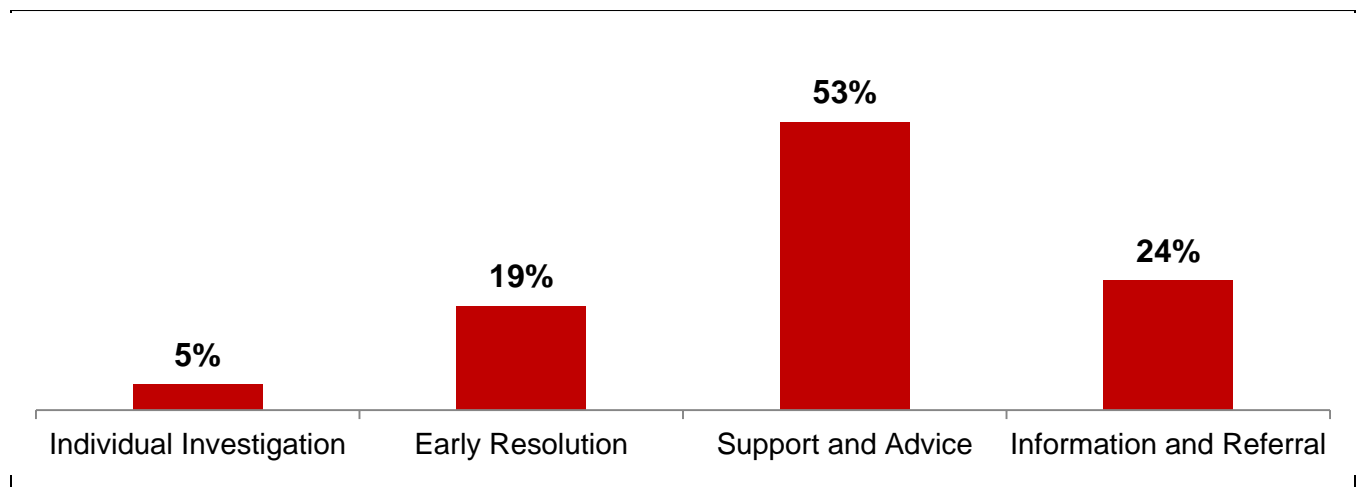
In 2016, the Office received 1,919 complaints. Of these, 112 were discontinued leaving the Office with 1,807 complaints that were addressed and brought to conclusion in 2016. Nine of these complaints were carried over into 2017.

Ninety-three percent of the complainants were identified as residential, while 3% were commercial.

Types of Complaints

When a complaint is filed, it is screened to assess which of four categories best capture the stage at which the complaint is and the level of effort required to resolve the matter. Investigations require an in-depth review while Early Resolution complaints lend themselves to less formal opportunities for resolution. The third category of Support and Advice is one in which we offer advice and help to enable complainants to resolve their concerns. Complaints of a non-jurisdictional nature are tracked separately and classified as Information and Referral.

Distribution of Complaint Type



The Office conducted 85 (5%) investigations in 2016. Investigations are generally undertaken when the subject matter is more complex and the complaint has already been through the company's escalation process.

Twenty percent or 343 complaints handled were classified as early resolution. These included some premature complaints that were not considered efficient to re-direct back to Hydro One. Most complainants (38%) had already contacted Hydro One about their complaint and had been through the early stage of the complaint process.

Approximately one third (34%) had exhausted the complaint process and close to

another third (28%) had not contacted Hydro One at all about their complaint before coming to the Ombudsman.

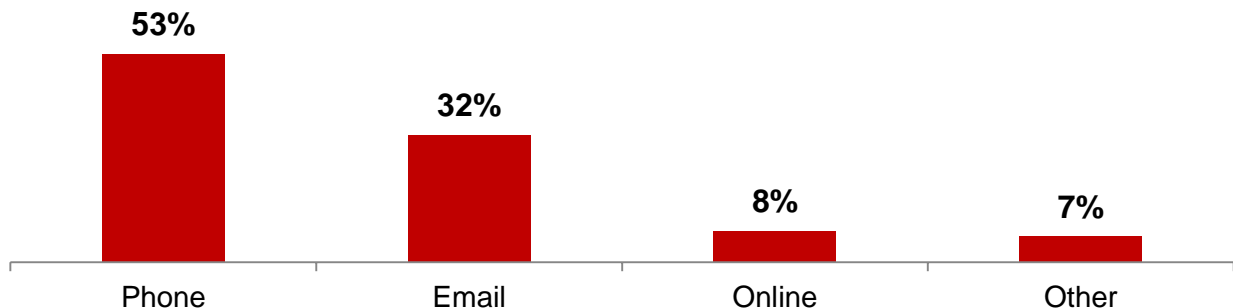
Fifty three percent of the complaints (952) submitted to the Ombudsman were provided with support and advice to help individuals resolve their issue with the company.

The bulk of complaints classified as Information and Referral concerned issues such as provincial electricity prices. There were a total of 318 such complaints (18%) in 2016. This group of contacts is standard for an ombudsman to receive and provide an opportunity to educate and inform individuals.

Origin of Complaints

The majority (53%) of all complaints handled originated from the office's phone lines. A significant portion of complaints were filed electronically, of which 585 (32%) came through email and 145 (8%) from the online form available on the Office's website.

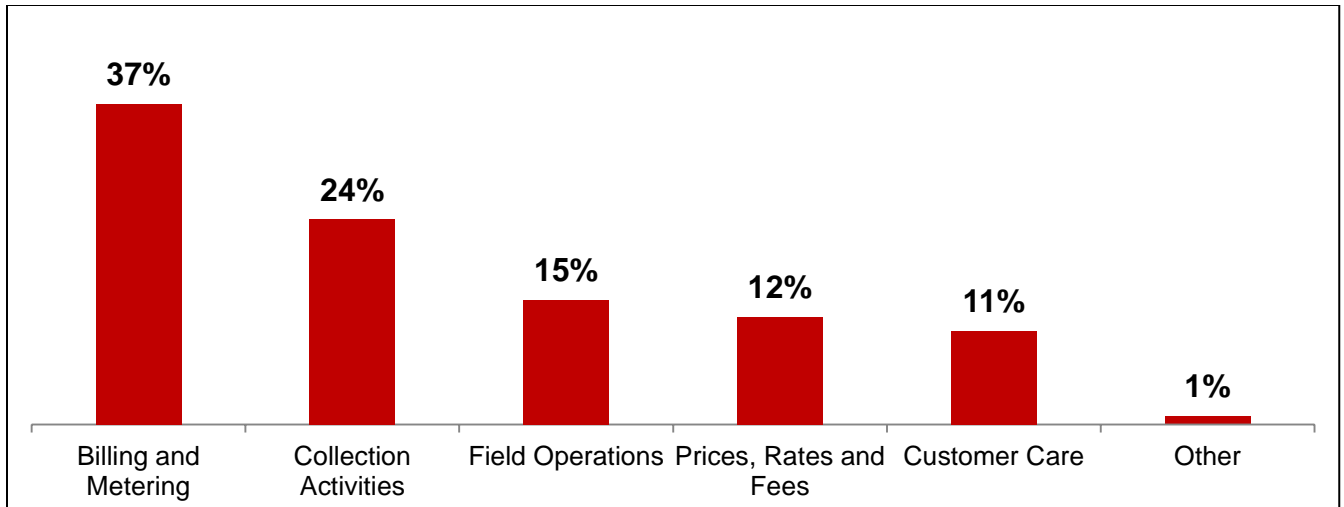
A number of complaints also originated from outreach and community meetings, by mail, elected officials, and through internal sources at Hydro One.



Most Common Complaints

The main sources of complaint were meter accuracy and estimated billing; disconnections and collections; delivery charges; and high electricity prices. When the Ombudsman's Office looked into these complaints, it often found that internal practices contributed to the problems. The practices included:

- delays in handling the complaint
- complexity of the company's complaint process
- answers that customers were not able to understand
- insufficient information



Nearly 40% or 555 complaints within the jurisdiction of the office were about billing and metering concerns. There were 206 complaints about the issuance of bills (e.g., not receiving bills or bill produced late), payment options and refunds, budget billing, and issues about information on and responsibility for an account (e.g., landlord and tenant disputes).

There were 249 (23.4%) complaints about metering which related to accuracy of the customer's meter or complaints about estimated bills.

Collection activities made up 24% (355) of complaints made to the Ombudsman. They were for the most part about the conditions associated with reconnection.

Field operations made up almost 15% (216) of complaints. They concerned complaints about poles, wires and other physical assets required to safely and reliably operate the networks. Most complaints (56) were about vegetation management. Complaints regarding a service connection, delay in completing a service request or power quality also fell within this category.

Prices, rates and fees made up 186 (12.5%) complaints ranging in subject matter from delivery charges to rate classes.

There were 162 (11%) complaints about customer care. This category includes six complaints about rules and conditions in the utility sector; 55 complaints about programs such as conservation; and support programs delivered or advertised by Hydro One, such as the Low-Income Energy Assistance Program or the Ontario Electricity Support Program.

There were 39 complaints about Hydro One's mass market communications such as bill inserts and online tools. There were 62 complaints about the process involving insurance claims.

Complaint Themes

A prominent theme in complaints received concern customers' communications with Hydro One. In those cases, customers did not believe Hydro One cared about their circumstances or would understand their story. They understand they must pay their bills but could not comprehend why some people were disconnected for small amounts, while others were allowed to continue accruing debt.

The company was often correct in its decision, but its explanations caused the customer to have mistaken assumptions about their situation. Take, for example, budget billing and installment plans for the payment of an account in arrears. Hydro One offers them as two separate services. When a customer on both plans calls with a bill problem, the company representative may respond to only one part of the underlying cause of the problem. This leaves the customer without a full understanding of their problem.

A number of customers complained about the accuracy of the readings and the estimated bills that occur when they do not have access to 'time of use' billing and smart meters. Those complainants often say they do not understand their bills and are confused by the way the information is presented.

The silos of some operations at Hydro One are a source of a number of complaints. For example, individuals were grateful when Hydro One employees removed unsafe vegetation and trees from around poles and wires but were frustrated when told it may be weeks or months before the debris is removed because another department is responsible for taking it away.

3.0 Meeting our Service Standards

When the Office opened for business in March 2016, it set some service standards which are posted on the website. Like any new office, adjustments are being made as we become more familiar with the issues and gain experience on the ground.

Complaint Handling

The Office has a policy to acknowledge complaints. That policy states that i) phone calls are returned no later than 24 hours of receipt (except on weekends), ii) emails are acknowledged within 48 hours of receipt, and iii) regular mail is acknowledged within 72 hours of receipt.

While the Office does not have the capability to track those standards through its Case Management System, there is a high degree of confidence that staff met them in virtually every instance, in addition to the fact that the Ombudsman had no complaint or

concern raised. The website encourages individuals to raise complaints or compliments directly with the Office.

The Office also has internal guidelines regarding the time it takes to address complaints. Overall, the office met its standard 89% of the time and 97% of all complaints were resolved within 30 business days.

4.0 Outreach

If an Ombudsman is to be effective, members of the public need to know about the Office's role and its responsibilities. This is especially true when the office is new. A common consensus has to be created so that people know what the Ombudsman can and cannot do for them and when to use its services.

Visiting Communities

Hydro One serves communities in every corner of this province. Given the new office presence in 2016, the Ombudsman visited 20 towns and cities, participating in town hall meetings and talking with Hydro One customers. The meetings were at the invitation of MPPs, Chambers of Commerce and social service agencies.

Meeting with Legislators

In order to introduce the new office and because many constituents seek the help of their MPP when they have a problem with Hydro One, the Ombudsman travelled to six constituency offices and met individually with nine members of the Ontario Legislature. The Ombudsman also held an information session for the MPPs and their staff at the Ontario Legislature.

5.0 Working across the Company

Because of the good relationships the Office has developed with company staff, problems are being solved pre-emptively at Hydro One. Not only do the recurring conversations make it easier to find solutions, but they can also prevent difficulties from occurring in the first place. Sometimes the Office's advice reflects an understanding gained from existing complaints or comes from the Ombudsman's visits to communities and conversations with stakeholders. An example of this was the recommendation early in the spring to create a greater customer service presence across the company's service territories.

In order to facilitate a robust exchange of information, the Ombudsman met and conducted sessions with many groups of employees across the company.

In addition, the Ombudsman spent time in the field with the company's front-line staff, learning first-hand about field operations to better understand the causes of complaints.

Based on comments from the customers that came into contact with the Office that they want a bill that is easier to understand, the Ombudsman provided feedback to the company's management about simplifying the bill. The Ombudsman has also pointed out that the installment payment plans for customer arrears often cause confusion when they are combined with the budget billing program.

Other improvements suggested by the Ombudsman and adopted by the company include:

- Recommendations on the improvement of front line customer service
- The identification of delays and consequent improvements by the insurance adjuster in getting back to people and processing their insurance claims in a more timely manner
- Working with managers to simplify letters sent to customers, using plain language and communicating clearly
- Recommendations on measures that could be taken to repair relationships with communities and neighbourhoods once mistakes have been made
- Correction of information on the website and making the information in French clearer and more accessible
- Better coordination between the Forestry and Lines Service programs to ensure the more rapid removal of cut trees and branches
- Changes to how the company tells customers about planned outages
- Modifications in how managers in the field investigate complaints about service

6.0 Frequently Asked Questions

Why are we here?

To enhance Hydro One's fair, just and equitable treatment of its customers.

Who do we serve?

Any member of the public who has dealt with Hydro One, including large and small customers, contractors and other stakeholders.

What do we do?

- facilitate the resolution of complaints
- conduct individual and systemic investigations
- offer advice and referrals
- share knowledge and advice on issues of administrative fairness
- conduct education and outreach
- provide advice and recommendations to the company on how to prevent problems
- present reports to the Board of Directors on trends, issues and practices, along with recommendations for improvement

When can you complain?

The Office of the Ombudsman is an office of last resort within Hydro One. That means a complainant is generally expected to go through the company's complaint system first.

There may be some exceptions to the principle of last resort. The Office may get involved when:

- there has been excessive delay in responding to the complaint
- the person or the group is highly marginalized or vulnerable
- the Ombudsman has initiated a systemic investigation
- it is just the right thing to do, given the circumstances

7.0 How the Ombudsman Can Help

The Ombudsman's Office uses a number of different methods to resolve complaints.

Basic Complaints

Many complaints can be quickly resolved by simply giving complainants a chance to identify and clarify the issues. This can be done when:

- the complaint is straightforward
- the complainant and decision-maker are both receptive to the approach
- the resolution fits within the existing policies and procedures

More Complex Complaints

If a complaint cannot be resolved promptly, the Office may decide to conduct an investigation if:

- the complaint is complex and involves many issues
- site visits and interviews are required, and documents need to be reviewed
- the allegations are serious enough to require an investigation

Systemic Investigations

The Ombudsman can also undertake systemic investigations when:

- the problem may be system-wide
- the problem could affect multiple groups or types of customers
- there are repeated or multiple complaints
- the complaint has a public interest that could affect many customers
- there appears to be a problem with a particular part of the system
- the case has compelling circumstances
- there is an apparent flaw in law, regulation, policy or procedure

8.0 How an Ombudsman Looks at Fairness

The Office of the Ombudsman protects fairness by looking into complaints from people who feel they have not been treated fairly. We also promote fairness, and don't wait until we get a complaint. We work proactively, looking for policies and programs that need improvement.

To treat people fairly, an organization must make good decisions, use good practices while making those decisions, and treat people with respect in the process. We offer our services to managers and staff when they are developing programs and policies. We would rather give them our advice at an early stage so that fairness is embedded in policies and programs from the beginning, reducing the likelihood that problems will develop later.

Different Types of Fairness

Substantive Fairness

Substantive fairness is about the fairness of the end result – the fairness of the final decision itself.

Procedural Fairness

Procedural fairness refers to the process leading up to the decision – the steps that were followed after the first point of contact with the public and everything that came afterwards.

What is procedurally fair will depend on the significance of the decision to be made, the relationship between the organization and the individual, and the effect that the decision will have on that person's rights.

Procedural fairness gives a member of the public:

- the right to an unbiased decision
- the right to know that an adverse decision is going to be made
- the right to respond to the decision-maker

At a minimum, procedural fairness requires:

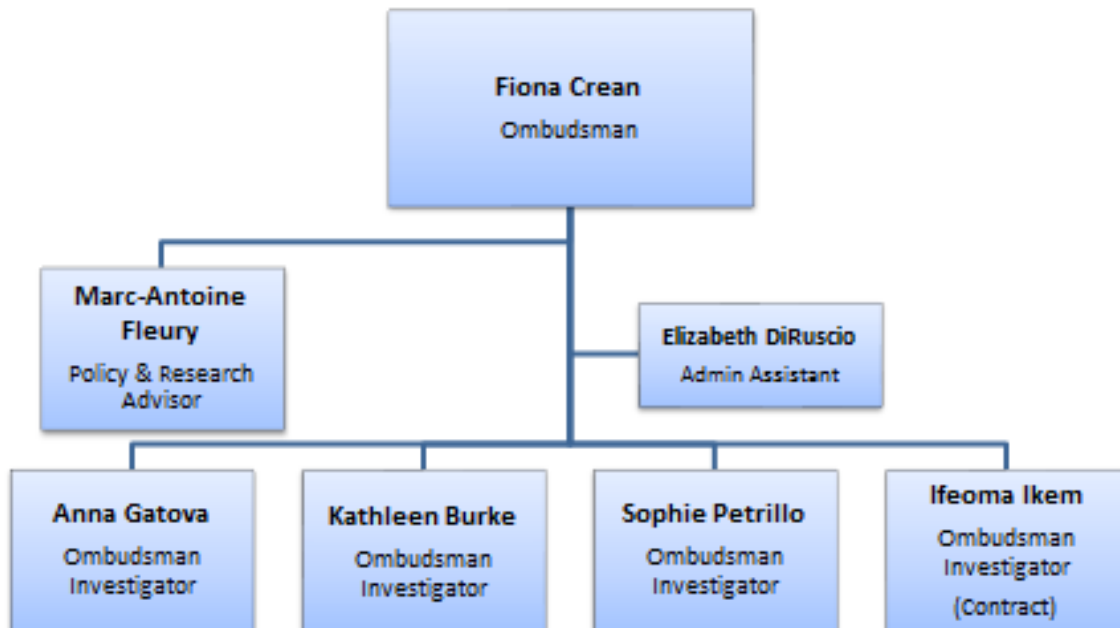
- clear communication
- proper notice
- an opportunity to present the case
- clear reasons
- timeliness
- accurate records

Equitable Fairness

Equitable fairness is about how we treat parties to a complaint. To intend to be fair is important, but it is the result that matters. Equitable fairness is about more than just treating everyone the same. In order to deliver fair results for everyone, it is essential that barriers in the way of good service be removed.

Equitable fairness takes the complainants' circumstances into account when they are relevant. This might include their level of education and literacy, their culture, language or age, their socio-economic status and geographic location, their family status or their disability.

9.0 The Ombudsman Team and Financials (as at December 31, 2016)



Hydro One's Board of Directors approved a budget of \$1,483,551 for the operation of the Ombudsman's office in 2016. This included compensation for six staff, travel, communications, consulting expertise, creation of a website, development of a case management system, information technology and the cost of translation.

10.0 Six Things to Know About Your Ombudsman

- We are independent from the management and operations of Hydro One
- We respect your confidentiality
- We look into your complaints and give you answers you can understand
- We are advocates and champions for fairness
- We are an office of last resort
- We offer information sessions

Consumers Council of Canada Interrogatory # 38

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Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

A-03-01 Page 2

Interrogatory:

The evidence states that with respect to OM&A, “The planning process followed by Hydro One also resulted in significant reductions in investments in 2018, to mitigate customer rate impacts in that year. As a result, the Application is responsive to Hydro One’s customers’ needs and preferences.” Please explain, in detail, what significant reductions in investment were made and how these were responsive to HON’s customer needs and preferences. Does HON assume that programs that have been initiated prior to 2018 can be characterized as productivity initiatives?

Response:

The evidentiary excerpt is actually referring to 2018 capital expenditure reductions that were made (although it follows statements about OM&A). These reductions were based on identifying investments to minimize near-term rate impacts without a significant impact to reliability. Reductions are detailed in Exhibit I-7-CCC-11.

Hydro One’s productivity targets were originally developed at the time of building the Dx Business Plan in 2016. Only forward-looking initiatives with a direct impact to costs were included. Details on Hydro One’s productivity plan are provided in Exhibit I-25-Staff-123.

Consumers Council of Canada Interrogatory # 39

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-01 Page 2

Interrogatory:

Re: Table 1 – Summary of Recoverable OM&A Expenses - The footnote states that “Approved” figures reflect OEB-Directed reductions to Sustainment OM&A and Common Corporate Costs and Other OM&A Line items. Please recast Table 1 to provide additional columns setting out the original budgets prior to the OEB-directed reductions in each year where those reductions were made.

Response:

The table below replaces the Approved column with what was embedded in pre-filed evidence in the Distribution 2015-2017 rate application.

Table 1: Summary of Recoverable OM&A Expenses (\$ Millions)

Description	Historic					Bridge		Test
	2014 IRM	2015		2016		2017		2018
	Actual	Actual	Original Budget	Actual	Original Budget	Forecast	Original Budget	Forecast
Sustainment	325.7	304.6	329.5	323.7	374.4	334.5	380.1	346.7
Development	11.0	10.9	15.4	11.9	17.8	13.2	17.0	11.0
Operations	29.5	27.6	35.8	31.5	39.4	33.4	37.5	36.7
Customer Care	209.3	155.4	112.2	118.8	111.3	132.6	111.9	131.6
Common Corporate Costs and Other	94.4	69.1	66.7	72.0	62.5	54.4	62.4	53.9
Property Taxes & Rights Payments	4.6	4.8	4.7	4.6	4.9	4.7	5.0	4.9
Total	674.5	572.5	564.3	562.6	610.2	572.8	614.0	584.8

Consumers Council of Canada Interrogatory # 40

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

None

Interrogatory:

Please describe, in detail, the budgeting process HON has used to develop the 2018 OM&A budgets. Please provide all budget directives used to guide the process. Please provide a timeline for that process.

Response:

Please refer to Exhibit I-3-CCC-3 and Exhibit I-3-SEC-1.

1 **Consumers Council of Canada Interrogatory # 41**
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3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-01 Page 6

10 C1-01-02 Page 29
11

12 **Interrogatory:**

13 The evidence states that the 2016 and 2017 (forecast) Sustaining expenditures are below the
14 OEB-approved amounts, primarily due to improvements in the vegetation management program.
15 The evidence also states that the 2018 test year spend is increasing, in part, to address the
16 backlog in vegetation maintenance. How much of the variances in 2016 and 2017 are related to
17 productivity and how much is related to the “backlog”? Of the \$7 million increase for 2018 how
18 much is related to “backlog”?
19

20 **Response:**

21 There are variances across several of the Sustaining programs (including the vegetation
22 management program) that have contributed to the 2016 and 2017 expenditures being below the
23 OEB-approved amounts. The underspending in the vegetation management program is one of
24 the primary contributors; however, due to improvements in the vegetation management work
25 practices, the accomplishment units remained above plan and positive progress was made on
26 reducing maintenance backlog and cycle lengths over that period. The \$7 million increase in
27 spend for 2018 is driven by clearing backlogged defects and further reducing cycle lengths.

Consumers Council of Canada Interrogatory # 42

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page 14

Interrogatory:

With respect to Underground Cable Locates, please explain how HON arrived at the expected volume level of 200,000 per year. What was the level of requests in each year 2015-2017(forecast)? Why was there such a significant variance between the actual and forecast amounts for 2016?

Response:

Please see page 16 in Exhibit C1, Tab 1, Schedule 2 for the forecast methodology. The level of requests from 2015 to 2017(forecast) is shown in the table below.

2015 Actual	2016 Actual	2017 Forecast
193,600	190,898	200,000

The variance between actual and forecast amounts for 2016 was due to an outsourcing initiative resulting in lower unit costs. Further details on this outsourcing initiative are outlined in Exhibit B1, Tab 1, Schedule 1, DSP Section 1.5.1.2.

1 *Consumers Council of Canada Interrogatory # 43*
2

3 *Issue:*

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 *Reference:*

9 C1-01-02 Page 17-19
10

11 *Interrogatory:*

12 With respect to Line Maintenance please explain, in detail, how these amounts are forecast. Has
13 the method of forecasting these activities changed in recent years? Please explain why, in each
14 year since 2015, the actual amounts spent were significantly less than the forecasts?
15

16 *Response:*

17 Methods of forecasting line maintenance programs have not significantly changed in recent
18 years. The line maintenance activities consist of inspections, testing, preventative maintenance,
19 corrective maintenance, and sentinel light maintenance. The forecast volumes for these activities
20 are described in Exhibit C1, Tab 1, Schedule 2, pages 17 to 19 and the method for forecasting
21 these activities is described on page 19, lines 17 to 19.
22

23 Please refer to interrogatory response Exhibit I-38-Staff-188, for an explanation of the variances
24 in actuals as compared to forecasts.

1 **Consumers Council of Canada Interrogatory # 44**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 **Reference:**

9 C1-01-02 Page 28

10
11 **Interrogatory:**

12 The evidence states that the vegetation management program has undergone a significant
13 reorganization to improve the areas of opportunity identified by the Auditor General of Ontario,
14 the OEB and peer benchmarking. Please provide all internal reports related to the newly
15 organized program. Please explain how HON developed the forecast for 2018 in light of the
16 program reorganization.

17
18 **Response:**

19 Attached are the internal reports related to the new vegetation management program:

- 20
- 21 • Attachment 1: Distribution Vegetation Management Program Justification
 - 22 • Attachment 2: Clear Path Hydro One Forestry Assessment (Initial Report)

23 Additional documentation has been filed as part of this rate application. Please refer to:

- 24
- 25 • Exhibit Q, Tab 1, Schedule 1, Attachment 2: Hydro One Forestry Survey Assessment
 - 26 • Exhibit I-3-SEC-4: Hydro One Board of Directors issued material related to the new
vegetation management program.

Distribution Vegetation Management – Optimal Cycle Protocol

Overview:

Hydro One is implementing a new vegetation management strategy called the Optimal Cycle Protocol which will transition the company to an industry leading three year cycle. By 2021, the Optimal Cycle Protocol will improve vegetation management outcomes by: reducing safety risks, improving reliability, improving unit cost, and increasing customer satisfaction.

Investment Details:

Hydro One's distribution vegetation management program has been a key focus of the Ontario Energy Board (OEB), the Auditor General of Ontario and Hydro One's internal audit department, all of which suggested improvements in program planning and execution were required. Industry peer benchmarking has also positioned Hydro One unfavourably on unit costs, reliability and maintenance cycle length.

Hydro One distribution manages about 104,000 right-of-way kilometers to reduce the likelihood of a vegetation outage and to mitigate public safety risk. Vegetation related outages account for about 30% of System Average Interruption Duration Index (SAIDI) based on the three year average and projected to be over 40% by year-end 2017. Hydro One's performance is 4th quartile relative to industry peers. Deferred spending has resulted in maintenance cycles of approximately ten years, which is much longer than industry average, and has been identified as the largest contributor to poor reliability performance.

Working with Clear Path Utility Solutions LLC over the last six months, Hydro One developed a new program called the Optimal Cycle Protocol. This new program will patrol Hydro One's rights-of-ways on a three year cycle, generate defect-based work prescriptions, and correct through trimming and/or removing, trees that can grow into our distribution lines, along with dead, dying, or diseased trees that can fall into our lines. The Optimal Cycle Protocol will help Hydro One gain valuable system information, improve right-of-way asset condition and provide the opportunity to optimize the maintenance approach for each feeder to improve public safety, reduce risk of wildfire and improve system reliability within the current approved budget. This new program allows Hydro One to manage more kilometers of right-of-way with the same budget.

The transition to the Optimal Cycle Protocol started in September 2017 where the program strategy was rolled out to the field and employees were trained on the new work standards. The work from September 2017 to December 2017 is being closely monitored to ensure that the new program approach is achieving the desired objectives. By mid-November 100% of the forestry technicians will be trained on the Optimal Cycle protocol and by year end about 2,380 km of tree trimming and removal will be completed according to the new standard. It is expected that by January 1st 2018, a stable and sustainable Optimal Cycle Protocol will be implemented across the Province.

Key elements of the transition to the Optimal Cycle Protocol include developing:

- Detailed, defect-based data collection

- Defect-based work prescriptions
- Augmented quality assessment/control and project management oversight
- Revised work execution standards
- Cost and productivity assessments
- A revised organizational structure

Benefits:

The transition to the Optimal Cycle Protocol will allow Hydro One to improve operations and investment outcomes. The expected benefits of the Optimal Cycle Protocol include:

- Improved public safety, asset condition and wildfire risk profiles by reducing vegetation grow-in contacts to less than 1% of the utility forest.
- By 2022, we can expect a 40% improvement based on a ten year average and a 58% improvement based on a 2017 year-end projection. (Figure 1)

Tree-Caused Outage Metrics (Force Majeure Excluded)

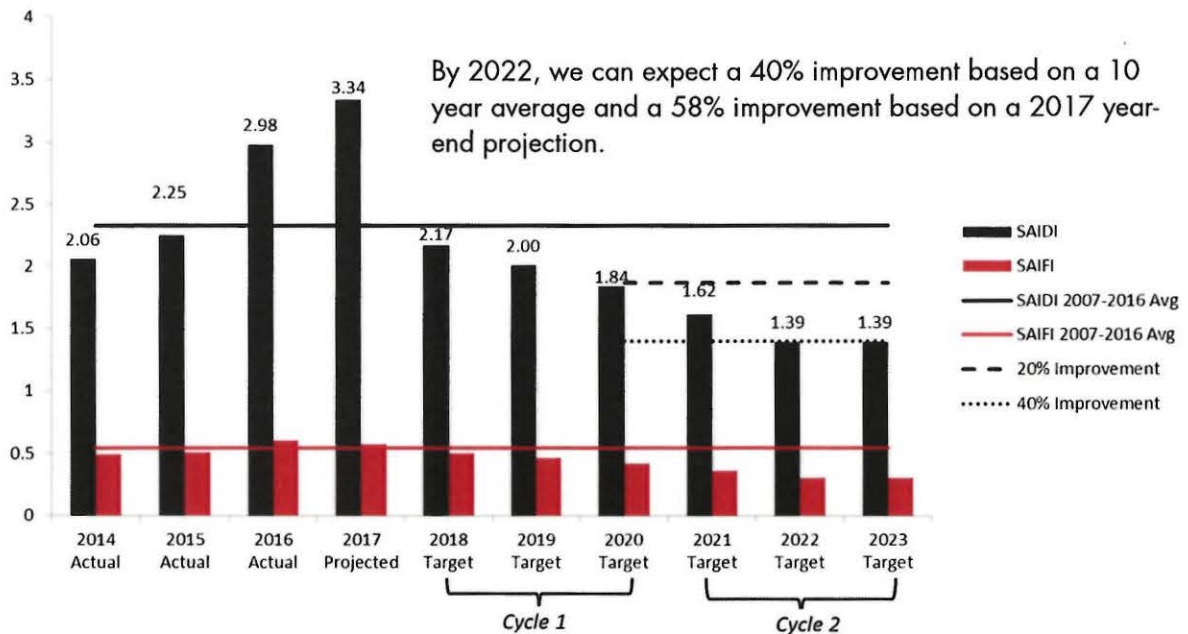


Figure 1 - Impacts of Optimal Cycle Protocol on tree related outage duration

- Reduced program budgets compared to the 2017 OEB approved budget. A further \$20M reduction starting in 2023 after the strategy has stabilized. Gradual reduction in trouble calls stabilizing in 2023 and resulting in a \$6M to \$12M reduction.
- Improved work reporting and standards compliance.
- Improved customer satisfaction and environmental impact due to more frequent right-of-way management.

Estimated Costs:

The Optimal Cycle Protocol will be executed within the proposed five year budget 2018 – 2022 (Table 1). In addition, there is a separate project (currently estimated at \$5M capital investment) to deliver a supporting IT tool to manage work more efficiently.

Table 1 - Vegetation Management Budgets

	2015	2016	2017	2018	2019	2020
OEB Approved	\$129.0M	\$164.6M	\$167.3M	N/A	N/A	N/A
OEB Units (as filed)	10,200 km	14,250 km	14,250 km	21,250 km	-	-
HONI Approved Budget	\$129.4M	\$145.7M*	\$138.5M*	-	-	-
HONI Proposed Budget	-	-	-	\$149.6M	\$150.0M	\$152.4M
YE Actual	\$118.0M	\$142.9M	\$129.3M**	N/A	N/A	N/A
Actual Units and Forecast	10,366 km	11,753 km	20,500 km	34,333 km	34,333 km	34,333 km

NOTE: The table above reflects three different strategic approaches with different scopes hence like for like comparison for units may not be applicable.

* Discrepancy between OEB approved and HONI approved is due to redirection to Customer Care and Trouble Calls.

** 2017 Forecast – September

Other Alternatives Considered:

Status Quo or Do nothing Alternative

The do nothing alternative was considered and rejected because continuing with the current vegetation management programs would not yield the desired safety, condition, reliability and cost outcomes within the Business Plan timeframe. Table 2, in the appendix below outlines some of the key differences between the Optimal Cycle Protocol and the current vegetation management strategy.

Regulatory Considerations:

The Optimal Cycle Protocol Project strategy was developed after the current distribution rate filing was submitted. Therefore, the concept of moving to a three year cycle and changing the work specifications is not currently described in the evidence.

There are two main regulatory considerations pertaining to the rate filing:

1. Explaining how this transition may affect the future of the vegetation management programs and how that affects the rate filing evidence, most importantly, the program budgets requested.
 - Hydro One has committed to operating within the approved vegetation management budget that will be outlined in the Ontario Energy Board's decision on the current rate application. It is expected that under the Optimal Cycle Protocol, investment outcomes will be noticeably improved prior to the next rate application.
2. Justifying a vegetation management strategy that improves reliability given the results of the rate filing customer consultation.
 - The primary driver of this strategy change is to manage affordability for our customers. With a significant reduction in cycle length there will be a cascading improvement to reliability that will provide our customers further value from the vegetation management programs ultimately reducing forestry costs and trouble call expenses.

Risks and Mitigation:





Resourcing – The Optimal Cycle Protocol requires a different labour mix than the traditional approach to vegetation management and will require increased administrative oversight and support.

Change Management – The Optimal Cycle Protocol requires a significant change to work specifications, resource requirements and generates new work in the form of project management and quality assessment that currently isn't in place within the existing Forestry Programs. Furthermore, the success of the Optimal Cycle Protocol hinges on quality data collection and strict adherence to the scope of work, which has been a challenge in the past. Change management activities are currently ongoing and the early stages of implementation are seeing a high degree of acceptance.

Information Technology – Forestry Services' is currently replacing their work management system as the existing Forestry Management System is at end of life. The Optimal Cycle Protocol requires enhanced data collection and detailed project management, both of which are not supported by the current forestry management system. As an interim solution, the Forestry Management System will continue to be used along with a supplementary data collection process that will require close monitoring to ensure data accuracy.

Long-Term Asset Condition and Future Maintenance Costs – The Optimal Cycle Protocol reduces the brush control being completed on the right of way floor. Some brush control will be

completed to maintain access. Forest edge encroachment could increase population of trees capable of striking the power line over time and to mitigate this risk, adequate funding in the public safety and reliability program will be required.

Signature Block:		
Prepared by:  Lyla Garzouzi	Title: Director, Distribution Asset Management	Date: October 27, 2017
Recommended by:  Brad Bowness	Title: Vice President, Distribution	Date: Oct 31, 2017
Reviewed by:  Darlene Bradley	Title: Vice President, Planning	Date: Nov 1, 2017
Approved by:  Gregory Kiraly	Title: Chief Operating Officer	Date: 11/10/17

Appendix A: Required information for SAP data input

Yearly Expenditures

	2018 (\$M)	2019 (\$M)	2020 (\$M)	2021 (\$M)	2022 (\$M)	Total (\$M)
Capital* and MFA	-	-	-	-	-	-
OM&A and Removals	\$149.6	\$150.0	\$152.4	\$154.7	\$155.6	762.3
Gross Investment	\$149.6	\$150.0	\$152.4	\$154.7	\$155.6	762.3
Recoverable	-	-	-	-	-	-
Net Investment Cost	\$149.6	\$150.0	\$152.4	\$154.7	\$155.6	762.3

Rate base additions

	2018 (\$M)	2019 (\$M)	2020 (\$M)	2021 (\$M)	2022 (\$M)	Total (\$M)
In-Service \$ Additions	-	-	-	-	-	-

In-service Date:	January 1, 2018
Appropriation Request #:	AR#19248, 21575, 19268, 24188, 24189
Investment Driver:	N.D.M.1.03
Productivity Cards?	No
Director	Lyla Garzouzi
Planner	Patrick Howe

Appendix B: Strategy Comparison

Comparison between the current vegetation strategy and the Optimal Cycle Protocol

	Historic Approach	Optimal Cycle Protocol
Scope/Approach	Full ROW clearing	Defect focused
Cycle/Frequency	10 years	3 years
Cost per unit	\$12,000 / km	\$3,600 / km
Units per year	10,500 km	34,666 km
Costs per year	\$150M	\$150M
Defects treated per year	800,000	700,000 to 800,000
Cost per defect	\$120	\$160
Impact to Reliability	Maintain current reliability	By 2022, we can expect a 40% improvement based on a 10 year average and a 58% improvement based on a 2017 year-end projection.
Cost Savings	N/A	\$6M to \$12M annual saving by 2023 due to reduced trouble calls and about \$20M starting in 2023 due to on-cycle efficiencies
Environmental Consideration	Infrequent maintenance allowing for incompatible vegetation to establish requiring high intensity clearing	Frequent maintenance allow for a better managed utility forest
Customer Consideration	Infrequent, heavy vegetation management treatment with high aesthetic impact	Frequent, light touch vegetation management treatments with improved aesthetics and customer relations
Safety Consideration	6.5% of the tree utility forest has vegetation grow-in contacts	Less than 1% vegetation grow-in contacts after the 1 st cycle. Reduced risk of public electrical contact and wildfire.



HYDRO ONE - FORESTRY ASSESSMENT

Final Report

January 16, 2017

Prepared for Hydro One
Stephen Tankersley, Clear Path Utility Solutions, LLC

Confidential



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PREFACE

Hydro One engaged Clear Path Utility Solutions, LLC in October 2016 to perform an assessment into the effectiveness of Utility Vegetation Management (UVM) program. The assessment is focused on distribution and sub-transmission vegetation management practices (under 44kV) with a cursory review of transmission.

The assessment examines key operational areas including reliability, financial performance, employee/public safety, customer experience and external stakeholder expectations. Key strengths and opportunities for improvement relative to the industry are contained in the report with recommendations and expected performance improvements.

The assessment included a full week of on-site discovery, including two days of field time, interviews with key staff, review of key performance metrics and indicators, benchmark data, process review, industry research and follow-up discovery.

The Forestry Services Staff at Hydro One fully cooperated during the discovery phase of this project and at each point of contact. I found the staff to be highly professional, knowledgeable, engaged and open throughout the process.

INTRODUCTION

Utility Vegetation Management (UVM) has long represented one of the greatest challenges and largest opportunity for electric utilities to improve public safety and electric system reliability. Not only is it among the largest preventive maintenance expense, but it is often the greatest contributor to electric service disruptions and public safety incidents.

Expectations for safe and reliable electric service from customers, regulators, communities, business leaders, elected officials and utility executives have never been higher. Across North America (and most of the world), vegetation and powerline conflicts account for 30% to 50% of all electric service disruptions.

Along with increasing expectations, UVM budgets have also increased across the industry to record levels. However, reliability results on lower voltage transmission and distribution systems have not improved in proportion to increased spending.

However, it has been demonstrated that effective practices significantly reduce the frequency, duration and severity of vegetation caused outages. By looking to the recent past, one can clearly see how effective UVM programs can achieve dramatic improvement in reliability results.

In August of 2003, the North American grid experienced the worst blackout ever recorded. The triggering event was tree conflict in Ohio that cascaded across the eastern US and Canada. Because of this single event, FERC directed NERC to develop mandatory and enforceable UVM Standards for critical transmission facilities (FAC-003) that went into effect in 2008. Since 2010, two years after the Standard went into effect, there have only been a small handful of tree contact related outages and four of seven years with no outages across North America. The most significant changes introduced by the Standard with greatest impact on reliability include:

- Documented strategies, procedures, and process – Aligned with program objectives and compliance with the Standard (zero tolerance).
- Mandatory tree to conductor clearance - Clear and observable air gap maintained under all rated conditions.
- System condition awareness – Frequent (annual) system inspection to assess vegetation conditions and take corrective actions as necessary.
- Remediate constraints – Start to end process to mitigate constraints to work performance.
- Annual work plan – Requires completion of work plan to meet objectives.

The northeast blackout of 2003, and subsequent NERC Standard, is instructive as it clearly illustrates how changes in UVM maintenance practices can improve system reliability. While the Standard applies to critical transmission facilities, and may not be practical for all voltages, key elements from the Standard can be applied to lower voltages to help achieve desired results. This will be explored further in the report.

SECTION 1 - EXECUTIVE SUMMARY

This report represents the results of the Forestry Program assessment at Hydro One. The assessment covers key program elements with greatest potential for improvement along with relative performance expectations.

Hydro One's Asset Management (AM) organization is responsible for defining the program objectives, setting standards & policies, and providing program direction. Forestry Services is responsible for work execution. The mission and key objectives are public safety and system reliability with secondary objectives related to performance of the work, and include employee safety, financial performance, and customer experience.

1.1 - Significant Finding

There is a lack of alignment between program objectives and the standards and processes to achieve those objectives. Current standards and processes are not effective in controlling vegetation defects that lead to public safety hazards and electric system disruptions, also contributing to high cost and escalated customer and community issues.

1.1.1 - Discussion

The single greatest opportunity for improvement is the maintenance cycle. It reaches across all objectives and is the biggest driver influencing overall performance. The maintenance cycle has been identified in three recent assessments (Boston Consulting Group, CNUC Study and Ontario Energy Board) as a driver of program performance, each recommending the cycle be shortened to improve performance. This assessment came to the same conclusion but with a different outlook on the cause and recommended course of action.

In response to previous recommendations, Hydro One seeks to alter the cycle in 2017 to 4/6/8 years depending on geographic location and conditions of high risk critical feeders. The plan also calls for a strategic maintenance effort to target poor performing feeders that are off-cycle and initiate a mid-cycle hazard tree abatement program.

This assessment concludes that the revised plan will fall short of meeting the desired outcomes as it attempts to mitigate the effects of long cycles, on a large portion of the system, rather than developing and executing on an optimal cycle as a proactive preventative measure avoiding chasing performance.

The recommendations contained in this report advocate transitioning to an optimum maintenance cycle by aligning work scope with objectives thereby reducing maintenance cost and allowing a path to an optimal cycle.

1.3 – Key Observation

Lack of alignment between maintenance cycle, work scope and objectives

Current maintenance cycle is not aligned with the work scope. The Dx Standard of achieving clearance of 8 years anticipated growth and mitigating hazards for the cycle duration is not achievable as demonstrated by system condition defects and associated performance.

Current work scope is not aligned with program objectives. Between 30% - 50% of the work scope is 'gold-plating' with minimal impact on the key objectives of public safety and system reliability. This results in high cost relative to the benefit, further contributing to long cycles.

1.4 - Additional Observation

Work Force

Hydro One is the last remaining mid or major utility in North America to exclusively use an in-house work force to perform UVM activities. Thus, labour cost is significantly higher than peer utilities resulting in high cost further impacting the ability to shorten maintenance cycles.

1.5 - Key Recommendations

- Transition to an optimal cycle by modifying work scope to provide a path forward.
- Continue to develop alternative labour strategies to reduce program cost and invest in shorter cycles and other program priorities.

1.6 – Strengths and Superior Practices

People - Highly engaged, professional and passionate workforce, well trained with low turnover.

Employee Safety - Mature programs and materials, exceptional training programs for new hires. Health, Safety, and compliance auditing.

Apprenticeship Training and Qualifications - Best in Class relative to the UVM industry.

Emergency Response - Well-equipped and trained for emergency response activities. Particularly noteworthy is the ability of trained forestry crews to perform grounding functions during restoration activities to reduce outage duration.

Standards, Procedure, and Process Documentation - Extensive documentation of standards, work procedures, and process across all areas of the business.

Job Planning and Customer Notification - Extensive process documents work scope, specifications, and requirements, customer information, work constraints and other factors.

Tools and Equipment – State of the art tools and equipment necessary to perform most forestry activities.

SECTION 2 - MAINTENANCE CYCLE

2.1 - Summary

The maintenance cycle is a leading driver of overall performance. The target cycle should be where UVM treatments are sufficient to control vegetation defects for the duration of the cycle interval to prevent conflicts with electric infrastructure leading to public safety issues and electric service disruptions.

Three recent assessments (Boston Consulting Group, CNUC Study and Ontario Energy Board) identified the maintenance cycle as a driver of program performance, each recommending it be shortened to improve performance but offered no path forward.

The Auditor General for Ontario states:

“Hydro One’s cycle for clearing vegetation (forestry) under, around and above distribution lines is more than twice as long as that of comparable utilities. Because trees are not trimmed back as often, Hydro One experiences more outages caused by fallen trees or tree limbs. We noted that line breaks caused by trees were the main cause of distribution outages from 2010 to 2014, responsible for 31% of all outages.”

The BCG Report states:


- *“Shorter trim cycle would yield lower overall costs and better reliability”*
- *“Moving to short cycle on all feeders not optimal due to execution constraints”*
- *“Current vegetation management spending insufficient to maintain all ROW on <8-year cycle”*
- *“Shorter trim cycle reduces total O&M costs but likely not feasible/optimal for all feeders “*

The CNUC Study states:

- *“it is difficult to make progress as trees are growing faster than they are managed.”*
- *“In Hydro One’s case it will take at least a decade of accelerated and highly productive UVM to reduce the cycle of management by two to four years.”*
- *“The path to a shorter cycle is blocked by high costs to reclaim ROWs”*

2.2 - Hydro One Maintenance Cycle

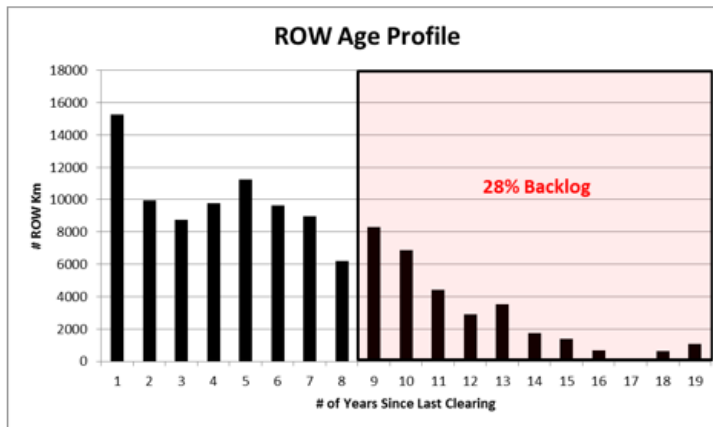
Hydro One has had a stated goal to achieve an 8-year cycle where 12.5% of the system receives vegetation treatment each year. However, the goal has not been met due to high maintenance costs resulting in nearly 30% of the system being in backlog (beyond 8 years since last treatment) for an average cycle of 9.7 years with some feeders not having UVM treatment for 15 years or more as illustrated below.

 Investment Planning Approval Document	Investment Driver: N.D.M.1.03	Investment Plan: 2017-2022	Date: August 16, 2016	Page: 8 of 12
	Title: Dx Vegetation Management DOCUMENT CLASSIFICATION: (Confidential)			

KEY DATA ON RISK

1. Asset Age Demographics

Managing the ROW inventory on a shorter cycle has been an ongoing goal of the vegetation management program. Benchmarking and other analysis suggest that Hydro One's ROWs should be on a 5-6 year average cycle, yet due to a collection of factors, the program's actual cycle is approximately 9.7 years or almost double the optimum. The result is a backlog of vegetation maintenance that yields poor reliability performance, presents an increased public safety risk and costs incrementally more than a well-managed system.



After Treatment

ROW's appeared pristine, some of the best observed on distribution facilities at time of work. However, after 3-5 years there is significant regrowth resulting in tree to conductor contacts and at between 5 and 8 years the ROW becomes overgrown and in varying states of neglect.



Note: While full ROW clearing is considered an industry best practice and appropriate for critical transmission facilities, it is a rare practice for distribution facilities across the industry. This is primarily due to the high cost relative to benefits.

At Time of Treatment

ROW's are overgrown with large number of trees in contact along with a significant number of hazard trees. Vegetation defects, as a leading indicator of public safety and reliability, are not effectively controlled.



2.2.1 – Contributing Driver – Work Scope

The relationship between maintenance cycle and work scope is critical in achieving program objectives. Maintenance cycle defines the treatment interval and work scope defines actions taken at each interval to achieve desired results. When not aligned, objectives are not likely to be met.

Work scope is outlined in Dx Vegetation Management Standard SIP-045. The standard treatment for cycle work is to clear the entire width of the ROW and address obvious hazard trees. The work is performed using a combination of mechanical clearing equipment and manual tools such as chainsaws and pruners.

Lack of alignment drives a vicious cycle placing one at odds with the other. When the cycle is too long, defects occur, reliability suffers and more work is needed at time of maintenance thus increasing cost per km treated. Not only are eight years of growth being addressed, the work is trying (unsuccessfully) to gain eight more. When cost exceeds budget, extending the cycle is often the result and ultimately performance suffers.

Observations

Current Work Scope is not aligned with the Maintenance Cycle. The Dx Standard of clearing 8 years of anticipated growth is not achievable as demonstrated by system conditions and reliability performance. Significant regrowth appears at about the 3-5-year mark and defects such as tree to conductor encroachments are evident shortly thereafter. Additionally, predicting hazard tree failures over such a long period is not practical, all of which contribute to poor reliability performance and public safety concerns. Hydro One estimates 56% of all trees are in contact with the conductor at the time of work which is an indicator of cycle/scope effectiveness.

Current Work Scope is not aligned with program objectives. Approx. 30% -50% of the work performed has little or no material impact on the key objectives of public safety and system reliability and considered “gold plating” relative to typical industry practices on distribution facilities. This contributes to high maintenance cost which exceeds \$10,000 per km treated, limiting the ability to shorten the cycle under reasonable budget constraints.

2.2.2 – Contributing Driver - Labour Cost


Hydro One is the last remaining mid or major utility in North America to exclusively use an in-house work force to perform UVM activities. There are advantages and disadvantages to this resource strategy as discussed further in the document. Cost is among the biggest disadvantages with an in-house workforce.

Labour and equipment typically represents 90% or more of total UVM expense and along with work scope, labour is the highest contributor to program cost. Reducing the labour cost through contracting strategies can have a significant impact on reducing maintenance cycle duration.

2.3 - Exploring the Maintenance Cycle and Work Scope

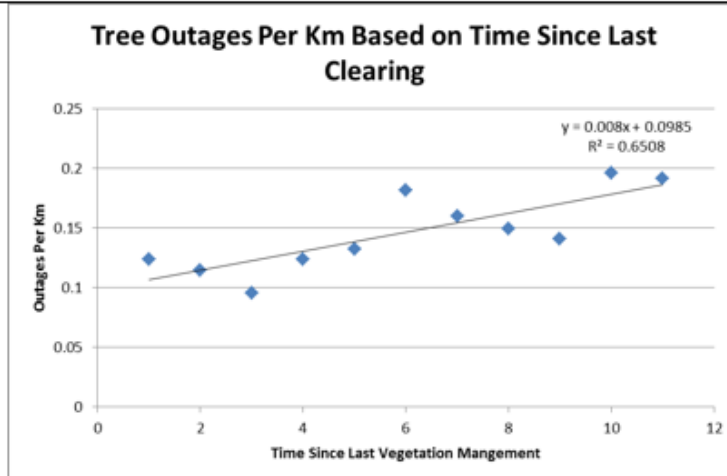
2.3.1 – Examining the Maintenance Cycle

The optimum maintenance cycle is the intersection between cost, defect, and reliability performance over a specified time horizon. The optimum cycle should result little or no degradation in feeder performance between treatment intervals and at the optimal time before treatment costs begin to escalate. The relationship between maintenance cycle, performance and cost is acknowledged as illustrated in the below 2017 Investment Planning Document.

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2. Reliability

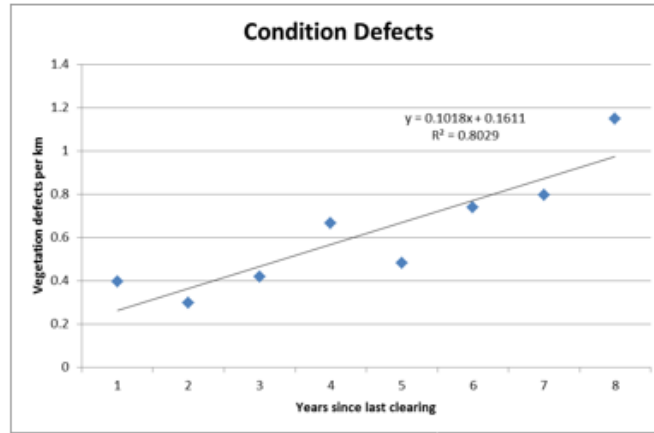
Reliability performance is positively impacted by vegetation management. Clearing vegetation away from the power lines and removing trees that can fall on the power lines instantly reduces risk to the system and reduces the consequences and duration of tree caused power outages. However, as vegetation regrows, the realized benefits of tree clearing degrade. Once the vegetation is allowed to pass its optimum maintenance cycle the frequency and duration of tree caused outages becomes more severe because of the amount of biomass within the ROW and the increased proportion of lines in direct contact with vegetation.



- Tree failures are directly related to cycle length, as ROWs age the probability of outages increase

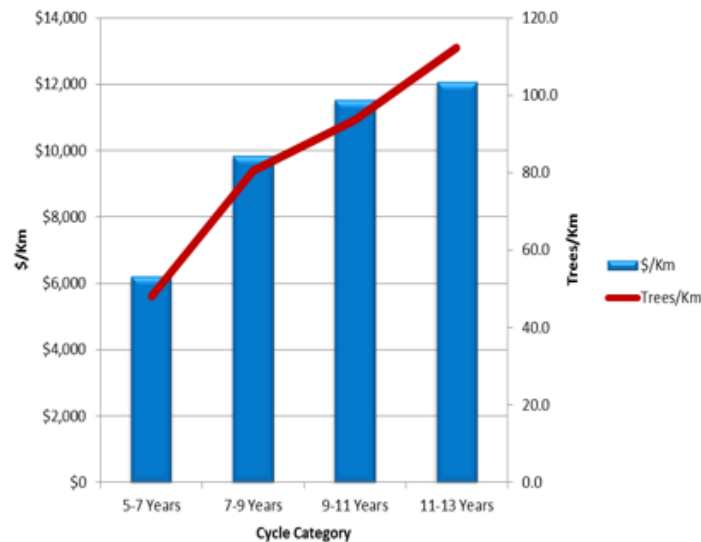
3. Safety

ROW condition has a direct correlation to public safety risk. Vegetation touching power lines is a dangerous situation and could result in electric shock, especially for the untrained and unaware public. As ROWs are allowed to grow beyond their optimum cycle length more vegetation comes in contact with the power lines and the public safety risk increases.



4. Cost and Productivity

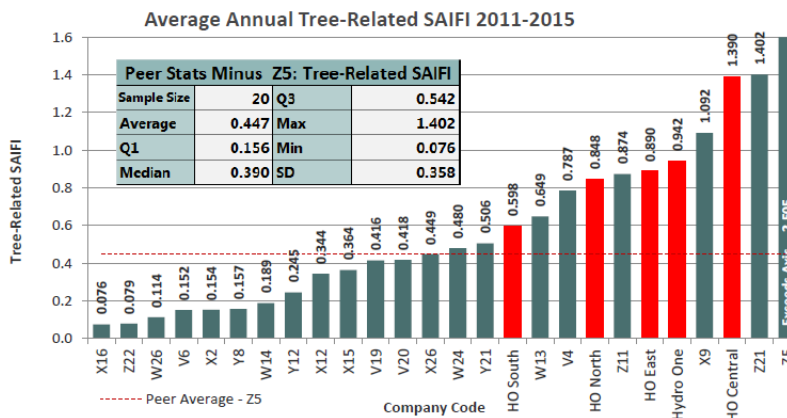
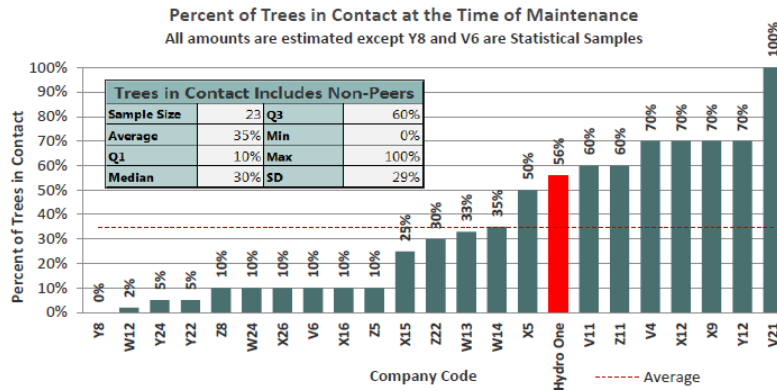
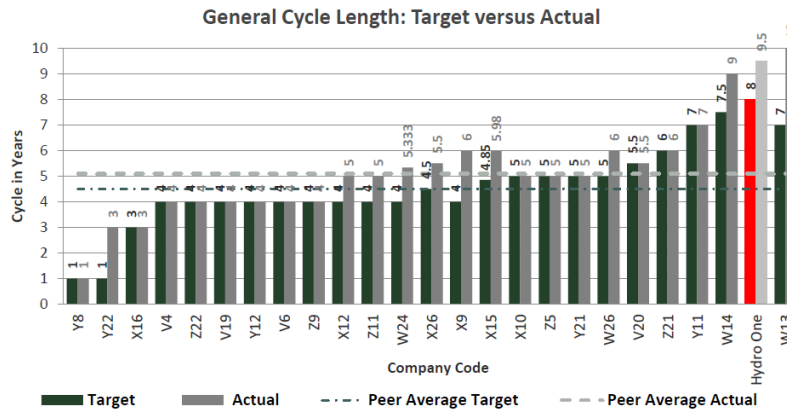
The cost of managing vegetation is directly correlated to the amount of growing time the vegetation on the ROW has been allowed. Longer cycles increase the density and size of trees being treated and thus increases the per kilometer cost to complete routine vegetation management. Furthermore, backlogged maintenance increases unplanned work and the complexity and duration of outage restoration.



Using this example, between years 3 & 5, performance begins to degrade with reliability, defects, and cost on a similar upward trajectory. Cost of treatment nearly doubles when the cycle is extended from 5-7 years to 9 years. If the cycle were cut in half to five years, you could reasonably expect consistent performance for the full cycle interval at a comparable cost.

Correlation between maintenance cycle, defect, and performance

As evidenced by benchmarking data below, cycle is a key driver in system performance. Utilities with the shorter cycle and fewest defects (Y8, Y22, and X16) have the best performance results. Utilities with the longer cycles (Hydro One, W13 and Z21) have the poorest performance.



2.3.2 - Examining Elements of Work Scope

Work scope is critical in achieving desired results over the cycle interval. Incremental work activities should be aligned with key objectives. We know the average treatment cost is ~\$10,000 per km under the current scope. Below is an illustration of component activities associated with the current scope and relationship with key objectives of Public Safety and Reliability.

Treatment Activity	% of Cost	Relationship to Objective	Objective Met	Comment
Inspection/Notification	5%	High	Y	Critical path
Correct defects	25%	High	Y	Short term mitigation
Pruning & removal to avoid tree contact for cycle duration	25%	High	N	Evidenced by ROW condition defects at time of treatment
Selective hazard tree removal needed only for duration of cycle	15%	High	N	Evidenced by ROW condition defects at time of treatment
Other treatments (herbicide, etc.)	5%	Med/High	N	Evidenced by ROW conditions at time of treatment
Brush abatement and other activities	35%	Low	N	Short term
Full Treatment	\$10k			

Note: Component cost is used to build cost models for varying scopes of work as discussed in Section 2.7

- (1) *The table above is intended to be illustrative and may not be reflective of actual component cost.*
- (2) *This illustration assumes an 8-year cycle, shorter cycles will result in lower total and incremental cost as there are fewer defects to correct and fewer number of trees requiring work to hold for the shorter cycle.*

2.4 - Conclusion

Maintenance cycle is the greatest contributor to meeting key objectives and if reduced to an optimal cycle will have a significant impact on performance. Benchmarks indicate potential for up to 50% improvement in reliability alone. Impacts of a long cycle include:

- **System Reliability**
 - Increase in tree to conductor contacts and failures of dead and decadent trees all of which contribute to outage frequency and 4th quartile performance.
 - Planned outages increase as overgrown vegetation often requires a clearance to safely work the trees.
- **Public Safety**
 - Increased exposure to public hazards such as wire down, electrical hazards, third party workers, etc.
- **Employee Safety**
 - Increased hazard exposure to forestry and line maintenance personnel due to tree contacts.
 - Increased exposure to restoration events due to outage frequency, often in the worst of conditions.
- **Financial**
 - System UVM cost increases in attempts to mitigate the effects of long cycles.
 - Cost per km influenced by the maintenance cycle, work scope and associated labour cost drivers resulting in 4th quartile performance.
 - Outage frequency contributes to increased restoration cost.
- **Customer Experience**
 - Driver of customer satisfaction as the amount of work performed is significantly greater than with shorter cycles. After 8-10 years, many property owners may have never experienced UVM activities and conclude that work is excessive leading to dissatisfaction.
- **Stakeholder Expectations – (regulators, elected officials, community leaders)**
 - Reliability, public safety, financial performance, and customer experience are all drivers of stakeholder expectations influenced by performance in each area
- **Supporting Restoration and O&M Activities**
 - One of the drivers of the current work scope is to provide a clear ROW to support restoration and O&M work. This objective is met in the short-term but after 3-5 years the ROW is again overgrown thus inhibiting clear access. This occurs at the same time where outages are more likely to occur, defeating much of the purpose.

2.5 – Recommendations (relative to Maintenance Cycle)

- **Reduce interval between Maintenance Cycles**
 - Determine and implement an optimum cycle to reduce intervals between treatment.
- **Prioritize Work Scope**
 - Align work scope with maintenance cycle and program priorities. Assure work scope is adequate to meet program objectives for the duration of the cycle.
 - Alter work scope rather than maintenance cycle during feeder prioritization process, assuring alignment with the cycle and objectives.
- **Develop alternative labour strategies**
 - Continue investigating alternative resource strategies such as increased hiring hall, contracting inspection/notification activities, spinning off a portion of the business into a non-regulated entity thus competing in the marketplace and similar options.
 - Consider introduction of a formal contracting strategy.
- **Use condition defects as a base measure and leading indicator to develop standards and as a performance measurement**
 - Assess current system defect levels.
 - Develop standards with near zero defect goals.
 - Measure results at defect per km through representative QA sampling.
 - Consider tracking defects by feeder/km relative to the work performed (trees trimmed/removed) during the routine cycle inspection/notification process to provide insight into the effectiveness of previous cycle and scope over time at the feeder level.
- **Align QA/QC Programs with objectives– (assess, calibrate, and improve)**
 - See [Section 10.2](#)
- **Review Roles**
 - Consider altering the alignment between Asset Management (AM) and Forestry Services. AM may be best positioned to establish and examine strategic performance objectives while Forestry Services may be best positioned to prescribe maintenance cycles & treatments to achieve objectives as part of work execution.

2.6 – A Path Forward

Reducing the maintenance cycle is easily said but not easily accomplished without significant budget increases during transition to a first full cycle. There are cost considerations and a transition period of getting all feeders to a base level of performance as quickly as possible, no longer than the duration of the first system cycle and preferably sooner. This section offers a path forward in that direction to shorten the cycle within reasonable funding constraints.

2.6.1 – System assessment optimal Maintenance Cycle and Work Scope

Perform a system assessment using statistically valid representative sampling methodology (based on line segments such as protection zones). The assessment evaluates reliability performance, defects, and estimated component treatment cost at intervals since last maintenance. The assessment can then be extrapolated at the system level to determine optimal cycle, work scope and expected performance results.

Reliability performance desktop assessment (trailing indicator)

Time Since Last Treatment	Assessed km	System km	Outages per km	Reliability Performance Indices
1-2 years		25k		
3-4 years		18k		
5-6 years		21k		
7-8 years		15k		
Over 8 years		33k		

Defects (leading indicator)

Time Since Last Treatment	Contacts km	Near Contacts km	Hazard Trees	Other	
1-2 years					
3-4 years					
5-6 years					
7-8 years					
Over 8 years					

Estimated treatment costs per km

Time Since Last Treatment	Full Treatment (a)	Mitigate Defects (b)	Modified Treatment 1 (c)	Modified Treatment 2 (c)	Modified Treatment 3 (c)
1-2 years					
3-4 years					
5-6 years					
7-8 years	~\$10k				
Over 8 years					

Notes: Recently treated feeders should require minimal work with an upward cost trajectory thereafter.

- a) Full treatment under current work scope
- b) Minimum work required to correct defects - defined as trees in contact, showing evidence of contact and hazard trees since last treatment.
- c) Varying scopes of modified treatment using an incremental work activity chart as illustrated in Section 2.3.2, examples of which are:
 - Modified Treatment 1 – Mitigate all defects and perform selective pruning and removal of trees projected to encroach within a specified conductor clearance during the cycle period and perform level one hazard assessment and mitigation on trees in and out of the ROW. No floor treatment. Observation – based on limited field assessment, this treatment option is 20-30% of the full treatment cost while achieving reliability expectations on an optimal cycle.
 - Modified Treatment 2 – Same as 1, except perform extended hazard tree abatement and overhang removal. Minimal floor treatment.
 - Modified Treatment 3 – Same as 2, except strategic floor treatment in certain areas.

2.6.2 – Determine optimal maintenance cycle and scope

The assessment provides the basis for a model to project reliability performance and cost based on optimal cycle and scope. Cost modeling will allow the selection of priority based treatments with extended costs for the cycle.

2.6.3 – Transition to an optimal cycle

Assumptions:

- Four-year cycle is determined optimal.
- Approved budget (investment planning) – 2017 \$140M, 2018 thru 2020 \$145M
- 122,000 circuit km on 112,000 km of ROW corridor
- Alternative or modified treatment types estimated based on \$10k for full treatment with descending values based on the work performed.

Transition Plan Objective - assure all feeders are on cycle after four years with accelerated public safety, reliability and cost performance gains

- **Years 1 & 2** – Seventy percent of feeders on cycle with 95% system awareness, drastically reduced defect levels and improved reliability performance
- **Years 3 & 4** – 100% of the system on cycle, reduced treatment cost, exceeding reliability performance objectives

Illustration of a potential transition to an optimum cycle

Treatment Type	Year 1 km/\$	Year 2 km/\$	Year 3 km/\$	Year 4 km/\$
Full - \$10,000 km (highest priority feeders – 44kV)	4k \$40M	4k \$40M	4k \$40M	4k \$40M
Mitigate Defects - \$1,500 km (transition to full cycle)	20k \$30M	10k \$15M		
Modified Treatment 1 - \$2,500 km	20k \$50M	15k \$37.5M	10k \$22.5M	10k \$22.5M
Modified Treatment 2 - \$5,000 km	4k \$20M	6k \$30M	9K \$45M	9k \$45M
Modified Treatment 3 - \$7,500 km	0	3k \$22.5M	5k \$37.5M	5K \$37.5M
Total	48k \$140M	38k \$145M	28k \$145M	28k \$145M

Expected Outcome

Year One – Half the system is on the new cycle with allowance for remedial actions on another 20,000 km of aged feeders. Performance improvement should be noticeable.

- 28,000 km (25% of system) treated using a modified work scope assuring effective control for the duration of the first cycle.
- 30,000 km (27% of system) treated in 2014, 2015 & 2016 are effectively on the new cycle.
- 20,000 km (18%) of the system receives remedial attention to mitigate defects until it can effectively be treated in cycle years 3 or 4 to gain system awareness and accelerated performance improvement. *Estimated 150k-250k defects mitigated.*

Year Two – Nearly 70% of the system is on a new cycle with 95% receiving some form of treatment in the past 4 years and 100% within 5-6 years. Defects are largely under control leading to significant performance improvements. Worst and most costly feeders are behind resulting in lower cost per km treated going forward.

- 28,000 km (25% of system) treated using a modified scope to assure effective control for the duration of the first cycle.
- 48,000 km (43% of system) treated in 2015, 2016 & 2017 are effectively on the new cycle.
- 30,000 total km (27%) of the system receives remedial attention to mitigate defects until it can effectively be treated on cycle in years 3 or 4. *Estimated 200k-400k total defects mitigated at this point.*

Year Three – Nearly 95% of the system is on the new cycle with 100% receiving some form of treatment in the past 4 years. Vegetation threats controlled and system relatively protected from preventable outages and public safety threats. High levels of system awareness.

- 28,000 km (25% of system) treated using a modified scope to assure effective control for the duration of the first cycle.
- 76,000 km (68% of system) treated from past years are on cycle.
- No remedial actions at this stage.

Year Four – 100% on cycle – analyze, refine, improve.

Note: It is a reasonable expectation going into year 3, cost per km for all treatment prescriptions will decrease as many defects have been eliminated and remaining feeders have been treated within the past 5-6 years.

This is further evidenced by the BCG study and Hydro One investment plan depicted in Section 2.3 and actual results achieved for transmission (5-6-year cycle) where cost per km worked is ~40% of distribution at \$4,300 per km.

SECTION 3 - RELIABILITY

3.1 – Examining Performance

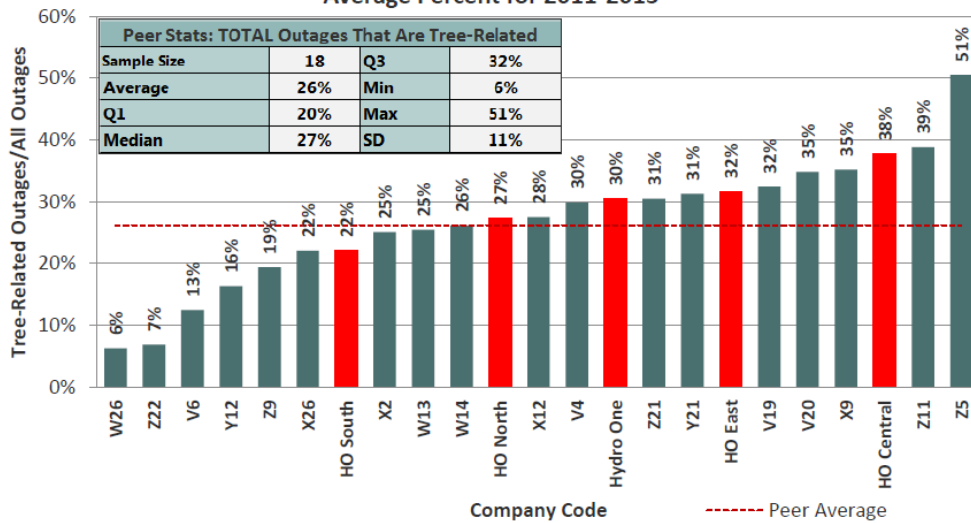
3.11 - Contribution to all system outages

Vegetation related outages are a significant contributor to overall system reliability accounting for 30% of all outage causes. This places Hydro One slightly below average and in the 3rd quartile relative to industry benchmarks. Outages during major events is considerably higher than average and excluding major events is equal to the average. A contributing factor is the severity and frequency of major storms relative to other utilities.

External factors can influence this indicator such as overall system condition and frequency of other causes. For example, when systems have been hardened or upgraded, vegetation related outages, as a percentage of the total, may appear high and not be reflective of UVM performance. The opposite is also true.

Measure	Hydro One	UVM Industry Benchmarks		
		Average	Q1	Best in Class
Veg % of total ^(all)	30%	26%	20%	<10%
Veg % of Total <i>(excluding major events)</i>	22%	22%	19%	<7%
Veg % of Total <i>(major events)</i>	60%	48%	33%	<25%

Percent of All Company Outages That Are Tree-Related
Average Percent for 2011-2015

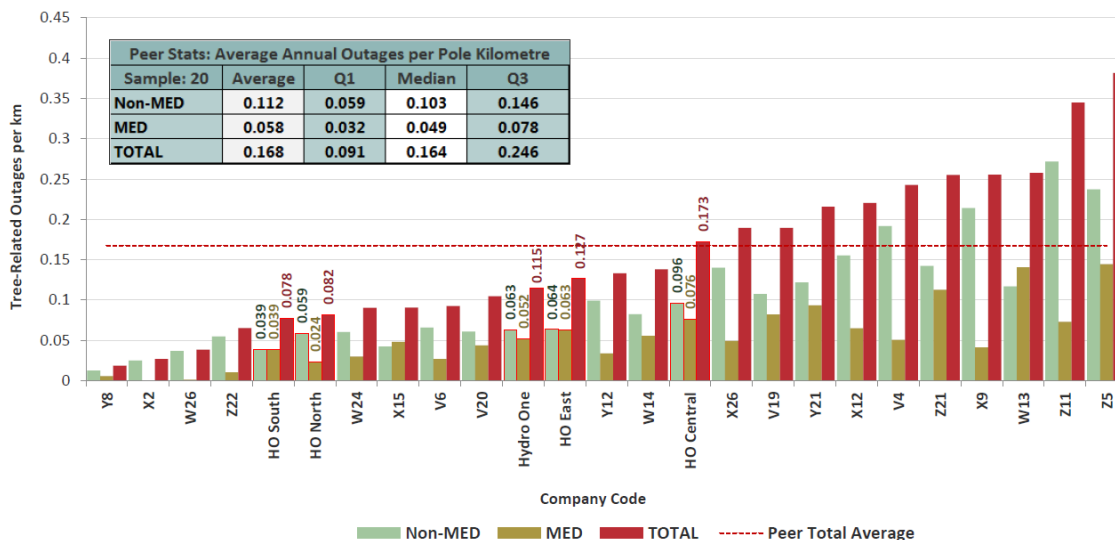


3.12 - Vegetation Outages per km

Vegetation related outages per km of overhead line measures concentration frequency of outages and is a representative indicator of overall performance. Hydro One achieves better than average results and close to 1st quartile performance with considerable opportunity for improvement relative to best in class. Tree density heavily influences this indicator as well as UVM effectiveness.

Measure	Hydro One	UVM Industry Benchmarks		
		Average	Q1	Best in Class
Veg Outages km ^(all)	0.115	0.168	0.091	0.025
Veg Outages km <i>(excluding major events)</i>	0.063	0.112	0.059	0.014

Five-Year Annual Average Tree-Related Outages per System Pole Kilometre for 2011 - 2015 for Non-Major Event Day (Non-MED), MED and Total Outages



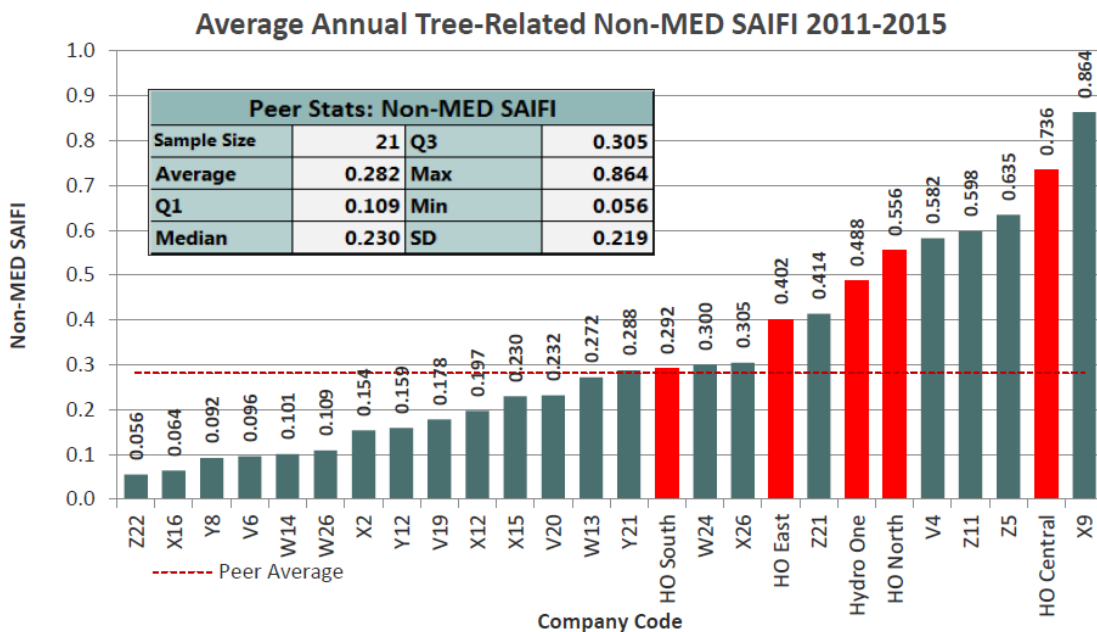
Graph 54: Average Tree-Related Outages per System Pole Kilometre for Non-MED, MED and TOTAL Outages

3.13 - Vegetation SAIFI

Vegetation SAIFI measures the customer impact of outages and is the most common vegetation reliability measure used in the industry. Hydro One is well below average achieving 4th quartile performance. Customer density heavily influences this measure as does feeder protection schemes. Remote feeders with low customer density can have high contributions to SAIFI when an outage occurs on a remote unfused tap that impacts the entire feeder. Feeders with similar characteristics (tree and customer density) with the same vegetation treatments and outage frequency can have vastly different SAIFI results depending on protection schemes.

Measure	Hydro One	UVM Industry Benchmarks		
		Average	Q1	Best in Class
Veg SAIFI ^(all)	0.942	0.447	0.156	<0.100
Veg SAIFI <i>(excluding major events)</i>	0.488	0.282	0.109	<0.075

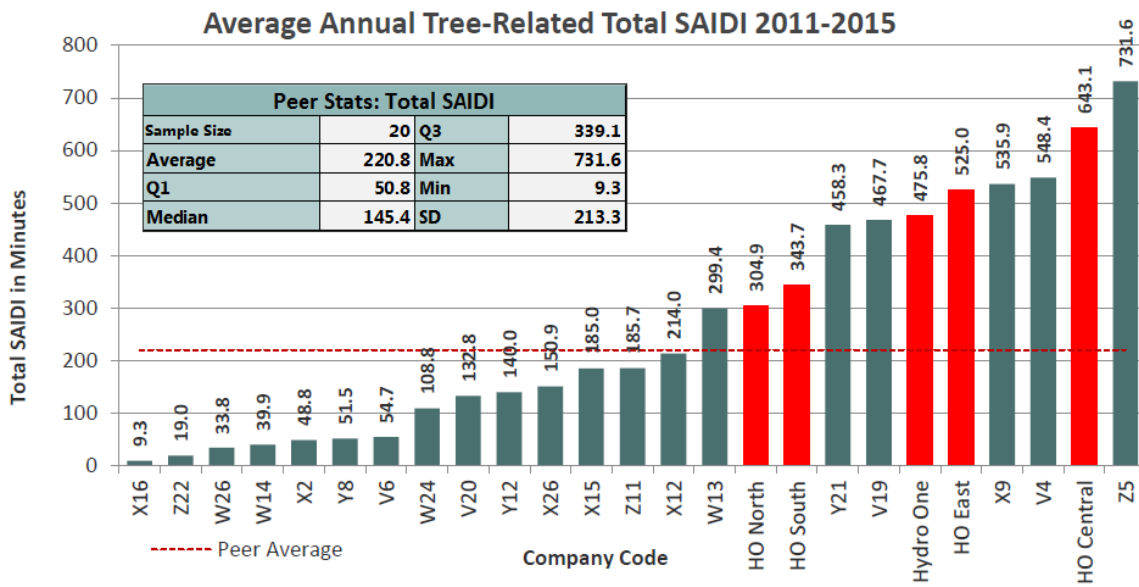
SAIFI Comparisons



3.14 - Vegetation SAIDI

Vegetation SAIDI measures the outage duration for the average customer and is a common UVM performance measure but used less frequently than others due to factors not directly related to the prevention of outages. Hydro One is well below average achieving 4th quartile performance.

Measure	Hydro One	UVM Industry Benchmarks		
		Average	Q1	Best in Class
Veg SAIDI (all)	475.8	220.8	50.8	<30.0
Veg SAIDI (excluding major events)	123.9	49.9	16.6	<10.0



3.2 - Reliability Performance Drivers

- As discussed in Section 2, maintenance cycle, and scope drives reliability performance across the board.
- Tree Density as a driver affecting performance. As one would expect, lower density equates to fewer tree conflicts and thus fewer outages. However, effective UVM practices have shown to effectively mitigate high tree density demonstrating superior results. The reverse has also been demonstrated with low tree density not correlating with reliability results.

3.3 - Conclusion

There is a direct correlation between defect and reliability performance with maintenance cycle being the single largest contributor to both. Developing and executing on optimal maintenance cycle, as outlined in Section 2, is the greatest opportunity for Hydro One to achieve desired reliability results.

- Transition to an optimal maintenance cycle as outlined in Section 2.
- Implement associated recommendations as outlined in Section 2.6.
- Consider limited strategic use of spacer cable (e.g. Hendrix) to reduce frequency and impacts of tree caused outages.
- Consider additional protection devices (fuses) in rural/remote areas to limit outage impacts. Vegetation outage investigations can be a valuable source of information on the strategic placement of protection devices by plotting outage source and impact over time.

SECTION 4 - FINANCIAL

4.1 – Examining Performance

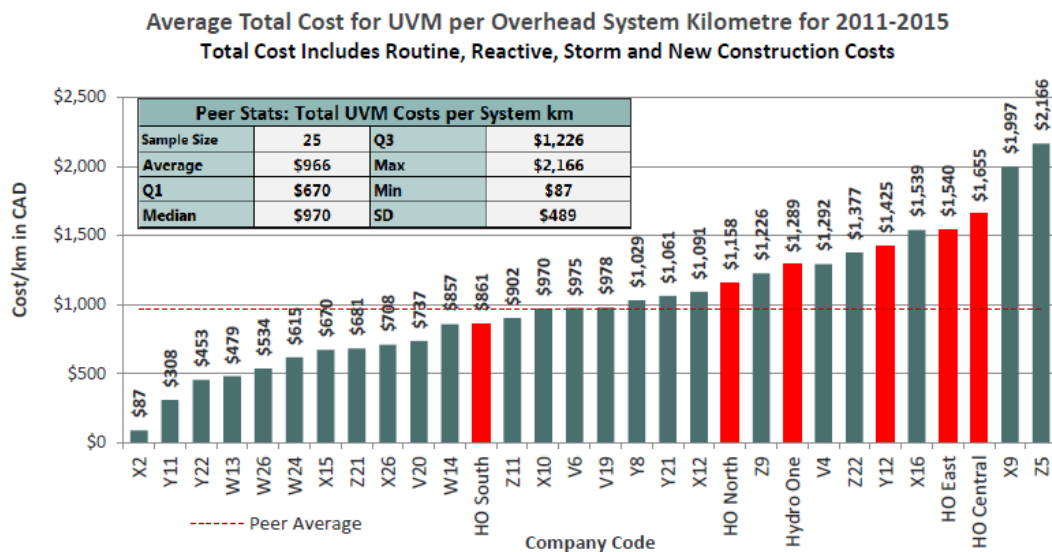
4.11 - Cost per System km

Cost per system km measures overall cost and should be compared against relative performance and not a standalone measure. A best in class number may not be reflective of good performance but rather an indicator of poor commitment to UVM by the utility and accompanied by similar results. A high number relative to average should result in above average performance.

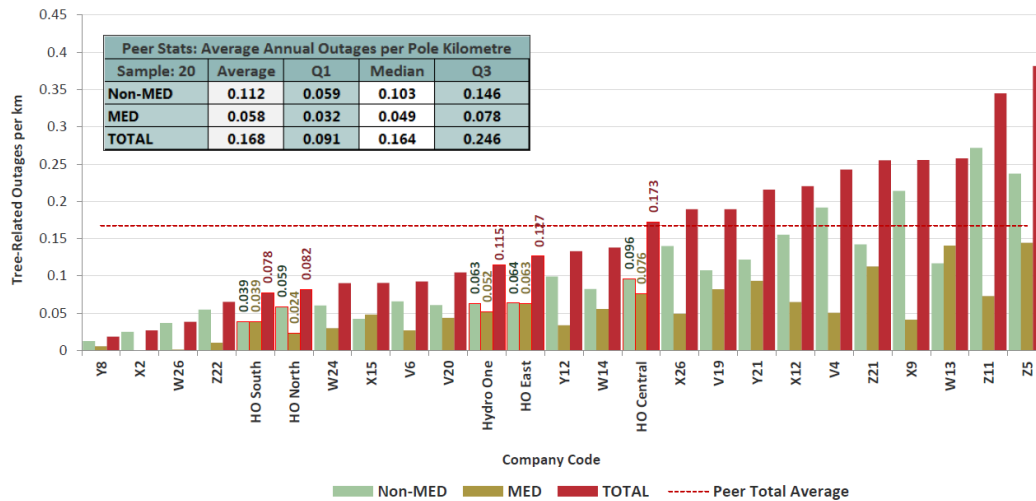
This is further illustrated in the below graphs of benchmark data, where examples are utility W13 achieves best in class cost per system mile but 4th quartile reliability results. Conversely, Y8 achieves average cost per km but best in class reliability. W26 achieves best in class results with both measures.

Hydro One appears to have a well-funded program relative to peers and should expect corresponding performance results.

Measure	Hydro One	UVM Industry Benchmarks		
		Average	Q1	Best in Class
\$ ^{CAD} per system km	\$1,250	\$966	\$670	<\$500



Five-Year Annual Average Tree-Related Outages per System Pole Kilometre for 2011 - 2015 for Non-Major Event Day (Non-MED), MED and Total Outages



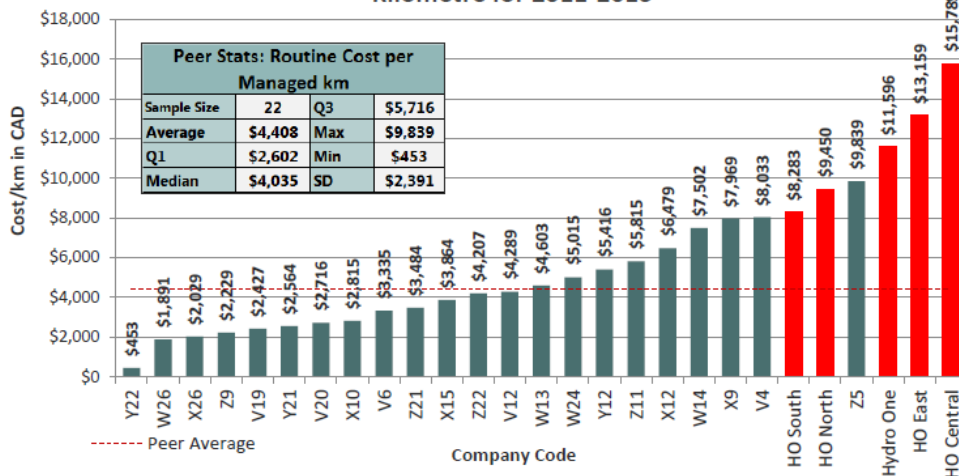
Graph 54: Average Tree-Related Outages per System Pole Kilometre for Non-MED, MED and TOTAL Outages

4.12 - Cost per Managed km

Cost per managed km is a general measure of productivity and is heavily influenced by tree density and conditions, scope of work and cycle duration. Hydro One achieves 4th quartile results relative to peers largely due to the factors examined in Section 2 of this report.

Measure	Hydro One	UVM Industry Benchmarks		
		Average	Q1	Best in Class
\$ ^{CAD} per managed km	\$11,500	\$4,408	\$2,600	<\$1,000

Average Routine Maintenance Expenditures per Annual Managed Kilometre for 2011-2015



4.13 – Labour Cost

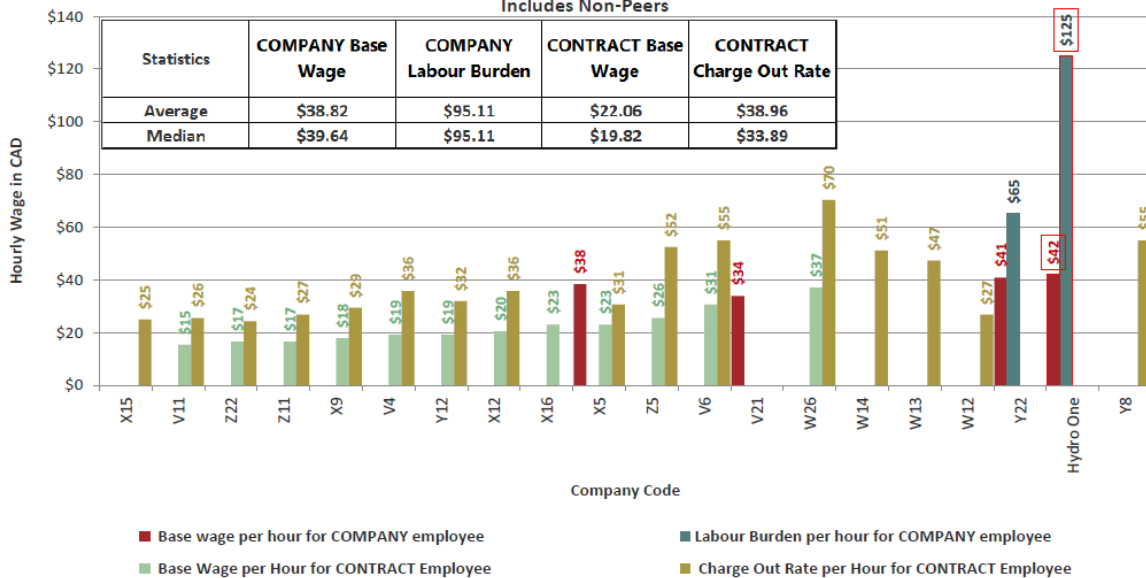
Labour and equipment accounts for 90% of UVM cost and the main driver of cost per managed km (outside scope). Hydro One uses an in-house labour force as compared the industry which almost exclusively uses a contract labour strategy. Thus, Hydro One has a labour cost well outside industry norms.

As the main driver of cost per managed km, strategies to reduce labour cost can be effective in reducing maintenance cycles across the system.

It should be noted that while the cost is much higher, there are some observed advantages to an in-house labour force. Turnover, quality of people, training, engagement, and safety are examples that appeared to be superior to that of a contracted workforce.

Line Clearance Field Personnel

Qualified Line Clearance Arborist Base and Labour Burden Rates for Company and Contract Personnel for 2015
Includes Non-Peers



4.2 - Conclusion

Maintenance cycle and work scope is the main contributor to financial performance as measured by cost per km worked and influences system cost. Developing and executing on an optimal maintenance cycle and work scope, as outlined in Section 2 will provide the greatest financial results relative to operational performance.

Secondarily, labour cost is significant driver of financial performance, developing alternative resource strategies will reduce cost allowing a quicker path to an optimal cycle.

4.3 - Recommendations

- Transition to an optimal maintenance cycle and work scope as outlined in Section 2.
- Continue investigating alternative resource strategies such as increased hiring hall, contracting inspection/notification activities, spinning off a portion of the operation into a non-regulated entity competing for business along with other contracting strategies.

SECTION 5 – PUBLIC SAFETY

There is direct correlation between public safety and reliability. When trees and lines conflict, the result is not only outages but introduces conditions that can be a threat to public safety, most notably is the threat of electrocution or fire when trees are close or the wire comes down.



Another common threat is unqualified people (3rd party tree workers and property owners) placed at considerable risk when working around energized conductors. According to a 2010 ISA study, 35% of all electrocution related fatalities are attributed to unqualified tree workers.

5.1 - Examining Performance

There were no observed public safety related measures or metrics found during the review but there are activities performed by the utility related to public safety including website, bill inserts and media releases.

Observations

- There was no information available on 3rd party injuries or vegetation hits on the electric system. It is not unusual for 5% or more of vegetation outages to be caused by unqualified 3rd parties. A clear indicator of public awareness of the hazards associated with working around power lines.
- The Hydro One website for worker safety *states “hire an experienced professional, especially for tasks such as trimming trees near power lines”*. While many contractors may state they are qualified to perform work around power lines, a clear majority are not, in fact, nearly 100% are not qualified. Even Davey Tree Private, an affiliate of Davey Tree Experts and one of the largest UVM contractors in North America, are not qualified to work around energized conductors.
- No safety standards or escalation for 3rd party owned private distribution lines. Observed one line where vegetation conditions were generally unsafe. Although it was fused at the interconnection with Hydro One facilities, it was not in acceptable condition and a clear public hazard.

TREE TRIMMING	TREE TRIMMING
<p>To trim or not to trim? Keeping trees away from power lines is an important part of maintaining a safe and reliable electricity system. Hydro One has more than 123,000 km of power lines crisscrossing Ontario's large and diverse landscape, extending into some of the province's most remote areas.</p> <p>Regular line clearing, brush control and tree trimming by our forestry crews are required to keep power lines clear and improve system reliability.</p>  <p>Did you know? Tree contact accounts for more than 30% of power outages in Ontario and can also cause fires and property damage.</p> <p>These unplanned power outages and dangers are easy to prevent if the trees on your property are kept trimmed a minimum of 3 metres away from power lines. If you're thinking of planting trees or your property, avoid planting near power lines or poles to avoid any issues in the future.</p> <p>Trees conduct electricity, so never trim or cut trees near live power lines, or you could be in for a nasty shock. Only trained and experienced workers should trim trees around live power lines.</p> <p>Once a year, during normal business hours, we'll disconnect and then reconnect your electricity service for free, so you can trim your trees. To make a service request, please go to www.HydroOne.com/MyAccount or call us at 1-888-664-9376. Please provide at least 10 days' notice so we can schedule the work.</p> <p>If you notice a tree branch that's touching our power lines, please call us at 1-800-434-1235.</p> <p>For more information, visit us at www.HydroOne.com and search for "Tree Trimming."</p>	<p>To trim or not to trim? Keeping trees away from power lines is an important part of maintaining a safe and reliable electricity system. Hydro One has more than 123,000 km of power lines crisscrossing Ontario's large and diverse landscape extending into some of the province's most remote areas.</p> <p>Regular line clearing and brush control by our forestry crews are required to keep power lines clear and improve system reliability.</p> <p>Did you know? Tree contact accounts for more than 30% of power outages in Ontario and can also cause fires and property damage.</p>  <p>These unplanned power outages and dangers are easy to prevent if the trees on your property are kept trimmed a minimum of 3 metres away from power lines. If you're thinking of planting trees on your property, the best place to plant tall-growing trees such as Colorado spruce, white pine and sugar maple is at least 8 metres away from overhead power lines to avoid any issues in the future. For more information on what trees to plant, visit www.HydroOne.com and search for "Right Tree."</p> <p>Trees conduct electricity, so never trim or cut trees near live power lines, or you could be in for a nasty shock. Only trained and experienced workers should trim trees around live power lines.</p> <p>Once a year, during normal business hours, we'll disconnect and then reconnect your electricity service for free so you can trim your trees. To make a service request, please go to www.HydroOne.com/MyAccount or call us at 1-888-664-9376. Please provide at least 10 days' notice so we can schedule the work.</p> <p>If you notice a tree branch that's touching our power lines, please call us at 1-800-434-1235.</p> <p>For more information, visit us at www.HydroOne.com and search for "Tree Trimming."</p>

5.2 - Conclusion

Tree contacts and wire down caused by tree failures are two of the largest threats to public safety and can be reduced by shorter maintenance cycles as outlined in Section 2.

Unqualified tree contractors working around energized conductors are a threat to themselves and the public and prudent actions are appropriate to reduce exposure.

5.3 - Recommendations

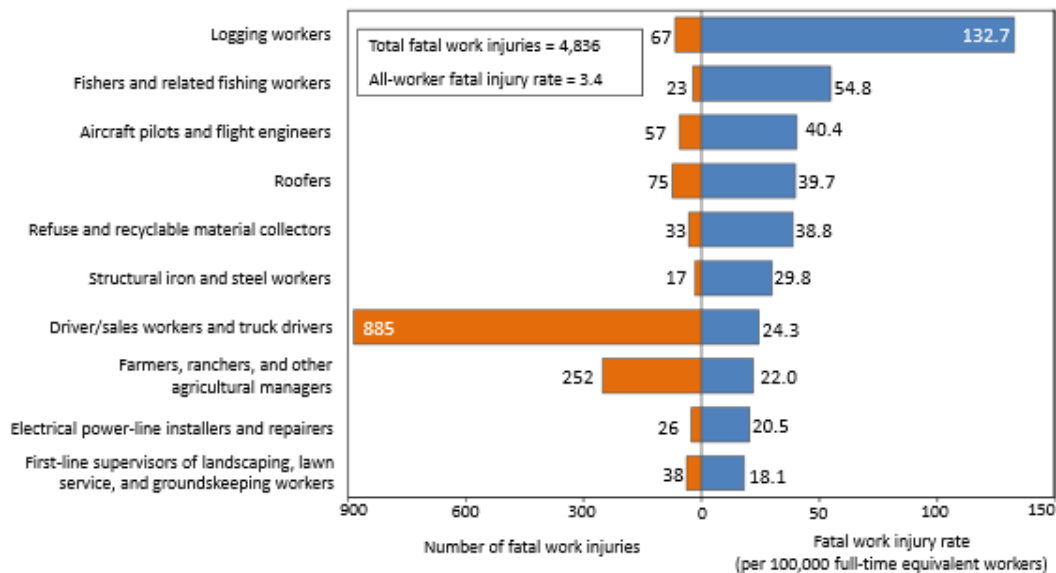
- Transition to an optimal maintenance cycle as outlined in Section 2.
- Develop a formal third party tree worker safety awareness and support program with the following attributes:
 - A formal “make safe” public safety service for third party tree contractors and property owners to use when working on trees within the 3 metre safety zone prescribed by Ontario regulations.
 - Materials sent annually to tree contractors/landscapers with key electrical safety hazard messages, crew tailboard material and who to call for a “make safe” evaluation (and perhaps reinforcing Right-Tree-Right-Place).
 - A zero-tolerance “stop work” policy for unqualified workers (and property owners) working on trees closer than 3 metres from energized conductors.
 - Investigation of all 3rd party tree related incidents (outage/injury) and develop a protocol for repeat offenders. Consider damage recovery from 3rd parties if not already done.
 - Collect statistics on third party hits where a contractor or property owner strikes electric facilities causing an outage or sustains injury while performing unauthorized tree work
- Consider developing minimum standards for 3rd party privately owned intertied distribution lines and providing notice when lines are not maintained to acceptable levels.

SECTION 6 – EMPLOYEE SAFETY

6.1 - Examining Performance

Hydro One Forestry has a robust employee safety program that starts with the hiring process and at each point through an extensive apprenticeship program and continues throughout employment. The safety culture stood out and was reflective in key performance metrics, most notable was the absence of any fatalities for decades. In fact, nobody could recall a fatality at any point in the past. This is a significant accomplishment as the Bureau of Labor Statistics reports on average 200 fatalities in the general timber and tree care industry occur annually across the US (no information was available for Canada). According the US Bureau of Labor Statistics, timber cutters have the highest risk across all occupations with electric power installers also being a top 10 risk. UVM workers have risks across both segments as they perform core work near power lines.

Chart 3. Civilian occupations with high fatal work injury rates, 2015



Source – 12/16/16 BLS Report of Fatal Occupational Injuries

It is important to point out that qualified contract utility tree worker fatality rates are far less than the general tree care and timber industries while the exposure to hazards are greater due to extensive work around energized conductors and exposure to inclement weather conditions during storm restoration. This is primarily a result of extensive training and safety programs available for utility tree workers that may not be available or practiced in the general industry.

For comparison, the two largest providers of UVM services in North America employ approx. 33,000 utility tree workers and collectively experience an average of just over 5.5 OSHA reported work related fatalities annually for a rate of 16.5 per 100,000 workers. This compares favorably to the general tree care industry but pales in comparison to the performance at Hydro One.

Health and Safety Incident Rates (200,000 hrs. worked)

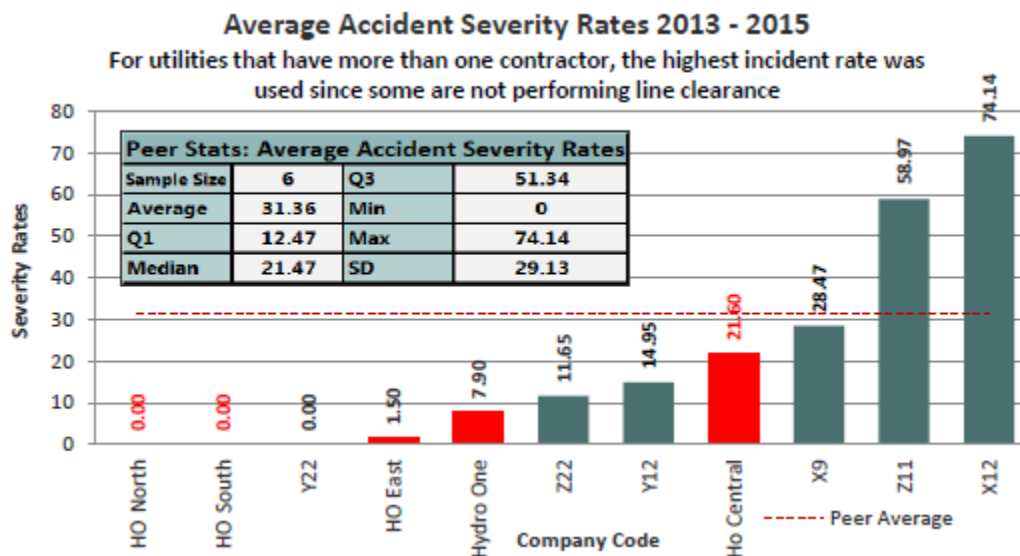
From 2013 to 2015 the Hydro One incident rate was 3.9 per 200,000 hours worked and year to date 2016 the number has improved to 2.9. Below are comparisons to 2015 general industry OSHA rates for organizations with over 1,000 employees:

- All industries – 4.0
- Agriculture, forestry, and fishing – 5.8
- Logging – 6.1
- Powerline construction – 1.5
- Electrical contractors – 1.7
- Landscaping – 5.5

Note: The methodology for determining incident rates may vary between the US OSHA and Canada.

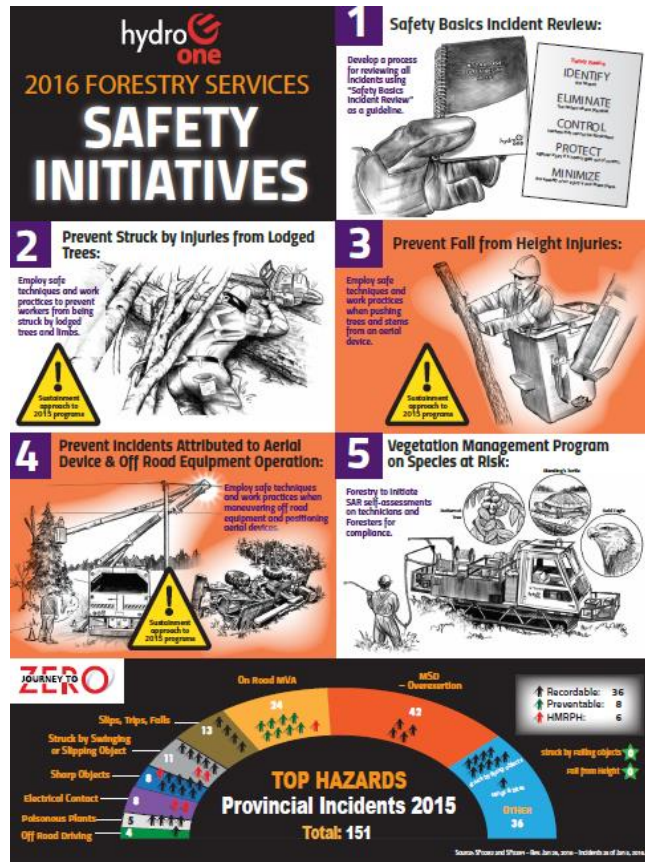
Health and Safety Severity Rates (lost workdays per 100 employees)

Hydro One severity rates compare favorably compared to industry peers who collect this information on their contract workforce. It should be noted that most utilities do not collect or report on serious contractor incidents so the information below may not be representative of the industry.



Observations and Good Practices

- Thorough jobsite tailboard briefings for anyone entering worksites.
- Low turnover rates relative to a contract workforce may be a positive influence on performance.
- Robust Health Safety & Environment and Job Safety Planning Auditing.
- Multitude of safety materials available and widely used.



6.2 - Recommendations

- Transition to an optimal maintenance cycle as outlined in [Section 2](#) to reduce the occurrence of tree contacts thus reducing worker exposure to hazardous conditions.
- Report on the frequency of utility worker caused outages (tree or branch hitting the line during work) as a measure of safe work practice.
- Report on the frequency of worker requested clearances (planned outages) needed to facilitate work as a measure of system conditions related to safety.

SECTION 7 – PUBLIC AWARENESS & CUSTOMER EXPERIENCE

From a customer perspective, UVM work is often misunderstood and viewed as an intrusion on private property where trees and vegetation are negatively altered for the convenience of the utility. The public is often unaware of the correlation between UVM and their safety and electric reliability nor are they generally informed about proper UVM practices such as directional pruning and use of herbicides among others.

There are basic components to improving customer satisfaction, public awareness, and acceptance of UVM activities and the customer experience when activities are performed.

7.1 - Examining Performance and Practices

There are limited data available to quantifiably measure performance against peers other than examining process, public awareness programs and public perception.

Observations

- Cycle length is a contributor to public awareness and customer experience. When work is performed at 8-10 year intervals, many customers have not experienced UVM work in their lifetime, or at least not in recent memory. When work is performed, it is generally extensive, severely altering vegetation with high potential to generate dissatisfaction. Property owners can point just across town and say “why me”.
- An internet news search with key words “Hydro One, trees, power lines” produced thousands of hits. Looking across a sampling, the ratio between negative to good news stories was about 10:1. Negative news were 60% outage related and 40% horror stories about work with a small number urging more extensive work to improve reliability.
- Extensive customer outreach and notification is performed during the work planning process and results captured as a performance measure. This is a good practice relative to the industry to be leveraged building greater awareness.
- Customer perception is a high priority for forestry operations and evident in all work practices and procedures.
- Third party administered customer satisfaction survey for customer demand requests (customer calls for service) and achieves high satisfaction ratings (95%+). However, this represents just a fraction of work performed and is limited to customer invitations for service. Hydro One has previously surveyed a broader segment of customers where routine cycle work has been performed but are not doing so at present.
- Public awareness collateral such as website, bill inserts, brochures and Right-Tree-Right Place materials are available and widely used.
- Participation in community events to increase public awareness and promoting Right-Tree programs such as Arbor Day are routinely sponsored but receive little media/public exposure beyond the event itself. Research produced few media stories relative to the number of events.

Forestry Assessment

Final Report



Keeping lines safe and clear

Hydro One takes tree clearance requirements for power lines very seriously. It spends millions each year to ensure lines are kept clear and safe so that Ontarians receive the power they need, when they need it. With 122,000 km of distribution line to maintain, Hydro One forestry services have a big job on their hands. You can help by planting the **right tree in the right place** to ensure newly planted trees and shrubs never interfere with nearby power lines.

Right Tree, Right Place



This tall-growing tree is planted a safe distance from the power line and as it grows, does not interfere with the line.

Wrong Place



This tall-growing tree is planted in the wrong place and will regularly require costly trimming or removal to maintain line clearance safety standards. This tree should be planted 8 m away from the line.

Hydro One forestry professionals can help guide property owners to plant the **right tree in the right place**

Together, we can work toward reliable electricity service and still enjoy the beauty and value of trees. If you have any questions about proper planting locations or would like Hydro One to locate underground power lines on your property, please call our Customer Communications Centre at 1-888-664-9376.



www.HydroOne.com



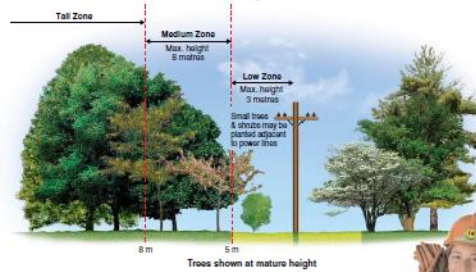
Plan before planting

Tree contacts account for more than 30 per cent of power outages in Ontario and can also cause fires and property damage. Before you plant trees or shrubs on your property, make sure you are planting the **right tree in the right place**. Locate overhead and underground power lines, check the maximum growing height of the species you want to plant and plan the proper planting location. To ensure survival of your new tree, please also consider temperature zone, soil conditions and drainage.



Hydro One forestry professionals care about the environment and tree health.

Planting Zones



Right tree, right place

Planting trees and shrubs beautifies your property, reduces your heating and cooling costs and produces many environmental benefits. Choose the appropriate planting zone for your new tree.

Tall zone

The best place to plant tall-growing trees is at least 8 m away from overhead power lines. Tall-growing trees include Colorado spruce, white pine and sugar maple.

Medium zone

The medium zone is from 5 - 8 m on either side of the distribution lines. Plants in this area should not exceed 8 m at maximum height. Medium-zone trees include serviceberry, ornamental pear and white cedar.

Low zone

The low zone is directly under the power lines and extends 5 m on either side of the lines. Plants in this area should not exceed 3 m at maximum height. Low-growing trees and shrubs include dogwood, honeysuckle and silverberry. Please keep a 5 m radius around distribution poles clear of vegetation. Plants in this area obstruct maintenance work and emergency restoration efforts.



7.2 - Recommendations

- Transition to an optimal maintenance cycle as outlined in [Section 2](#) to help with public awareness and customer experience, as presence increases and the extent of work is less invasive. Customers are more able to make the connection between UVM and public safety and reliability.
- Partner with corporate public relations and media to develop strategies to gain greater public awareness around UVM activities. Consider strategies to generate “good news” stories to reduce the ratio of bad to good. There are a many low cost creative tactics such as public service announcements related to tree and power line hazards, promoting Right-Tree during the spring planting season through nursery’s and various community events, positive news releases, targeted advertisements, highlight accomplishments, partner with community tree organizations, “call an arborist before you cut” campaign patterned after call before you dig. A particularity effective approach is to invite media for a helicopter ride-along while performing line inspections or to view certain forestry work that provides great visuals for a media story (forestry activities can produce great visuals of interest to the media).
- Develop additional collateral materials and delivery methods.
- Expand satisfaction surveys beyond customer demand work, to include routine cycle work. Ninety percent plus satisfaction ratings may not be realistic, as with demand work, but will provide a baseline to measure awareness and experience as other actions are put in place. Include a question to ascertain customer knowledge about connection between work performed and public safety/reliability.
- Consider truck stickers and worksite placards promoting forestry activities such as “Hydro One Forestry Working in your Neighborhood to Keep the Lights On and your Community Safe”.
- Create and seize on opportunities to gain additional public exposure to all the good things being done.

SECTION 8 – STAKEHOLDER EXPECTATIONS

Stakeholders include regulators, public and elected officials, agencies, and community leaders. While specific expectations may vary, they are typically (or at least should be) aligned with program objectives and goals. Primarily safety, reliability, cost, and customer.

8.1 - Observations

Hydro One is aggressively pursuing actions to meet stakeholder expectation, most notably the Ontario Energy Board and Ministry of Energy. Maintenance cycle is the most often cited concern.

Below is a direct excerpt from the Auditor General for Ontario

The Auditor General for Ontario has noted the following concerning Hydro One's UVM program:

Hydro One's cycle for clearing vegetation (forestry) under, around and above distribution lines is more than twice as long as that of comparable utilities. Because trees are not trimmed back as often, Hydro One experiences more outages caused by fallen trees or tree limbs. We noted that line breaks caused by trees were the main cause of distribution outages from 2010 to 2014, responsible for 31% of all outages.

(Auditor General 2015)

8.2 - Recommendation

Transition to an optimal cycle as suggested in this report and by the OEB, AG and subsequent recommendations by BCG, and the CNUC benchmark.

SECTION 9 – TRANSMISSION VEGETATION MANAGEMENT

Hydro One has approximately 28,000 circuit-km of transmission line of 115kV or greater built on 21,000 circuit-km of ROW corridor across its service territory. Of this, approx. 12,000 km is regulated under NERC Vegetation Management Standard FAC-003. FAC-003 prescribes requirements to meet strict standards to avoid vegetation related outages (a zero-tolerance standard) with potential penalties of \$1,000,000 per day if violated.

Hydro One has developed Standard LP-15900-001-R1 to meet the NERC requirements. This Standard meets or exceeds NERC requirements and applies to all transmission voltages except for the annual inspection requirement which applies only to NERC regulated lines.

9.1 - Examining Performance

- A review of documented transmission practices indicates full compliance with the NERC Standard.
- Internal standards apply best practices across all transmission voltages.
- Maintenance cycle length is 5-6 years with annual inspections for system awareness.
- There have been no NERC violations (including outages) for the past five years.
- Best in class reliability with an average 4.25 sustained outages per year over the past four years.
- A recent NATF Peer Review found several strengths with no significant deficiencies.
- Cost per system km at \$1,400, consistent with industry averages.
- Cost per managed km at \$4,300, 40% of the distribution cost.

9.2 - Observations

- Reliability as measured by outages per km among Best in Class results.
- Cost per managed km at or below industry averages and well below distribution.

Comparison between Hydro One Tx and Dx UVM illustrating program performance

Performance is superior on Tx at a comparable system cost and much lower cost per managed km. This is largely due to the following factors:

- Wide Tx ROWs provide greater protection for transmission facilities resulting in better reliability.
- Wide Tx ROWs are typically costlier to maintain but in this case much less due to the shortened cycle and maintained condition.
- Zero Tx tolerance for defect and requirement for air-gap built into the standard.
- Frequent Tx inspections for system awareness.

Attribute	Transmission	Distribution
ROW Width	Wide	Narrow
Documented Strategies to Avoid Defect and Outages	Required	Ineffective
Work Cycle	5-6 Years	8+ Years
System Awareness - Inspections	NERC – Annual Inspection Non-NERC – Bi-Annual	8+ Years
Tree to Conductor Air-Gap	Required	No Requirement
Corrective Actions to Avoid Contacts	Required	No Requirement
Annual Work Plan	Required Completion	No Requirement
Cost per System km	\$1,400	\$1,250
Cost per Managed km	\$4,300	\$10,000
Outages per km	.0002	.115
Veg Outage % of Total	2%	30%

9.3 - Recommendation

- Consider applying for Right-of-Way Stewardship Accreditation – First Canadian utility and one of only a handful across North America to successfully complete.

ROWSC Accredited Utilities

Founding Accredited Utilities

The following Utilities have been recognized as a "Right-of-Way Steward Utility".



AltaLink



Arizona Public Service (APS)



Bonneville Power Administration (BPA)



New York Power Authority (NYPA)



Pacific Gas and Electric Company (PG&E)



Sacramento Municipal Utility District (SMUD)



Vermont Electric Company (VELCO)

Forestry Assessment

Final Report



Example of transmission ROW work

SECTION 10 – OTHER

10.1 - Processes and documentation

Observations

Hydro One maintains extensive process documentation readily available on-line. Documentation covers all key operations including safety, training, standards, process, and procedures. Quality and content of documentation is best in class relative to the industry.

Recommendations

None

10.2 - Quality Assurance and Quality Control (QA/QC)

Observations

The Asset Management organization administers Quality Assurance to provide insight on work practices and execution (relative to standards and specifications) but limited to where treatment has recently been performed. It does not provide insight as to effectiveness of the standards to meet overall program objectives, lacking a forward-looking view and foundation for innovation and continuous improvement. A typical audit reviews the following conditions related to performance of work:

Category
Category 1 – Clearance Primary Conductor
Category 2 – Clearance Secondary Conductor
Category 3 – Clearance Joint Use
Category 4 – Overhang
Category 5 – ROW Floor Clearing
Category 6 – Danger/Hazard Trees
CR Completed
CR Denied – Field
CR Denied – BASC
PCH Completed – Planned & Demand (grouped)
PCH Denied – Field & Virtual Patrol (grouped)

It would be advantageous to review a sampling of ROW corridors at various intervals since last treatment to evaluate the effectiveness of the standards and treatment (measured by defect) over time to assure long term objectives are met. Findings and corrective actions should include a long-term view and element of continuous improvement.

Recommendations

- **Align QA/QC Programs with Objectives – (assess, calibrate, and improve)**
 - Develop separate QA/ QC functions.
 - QC evaluates work performance relative to work specifications and requirements. Frequent and ongoing sampling of field work with a feedback loop. Review criteria to include adherence to work scope (creep/deficiency), prescriptions met, customer notifications, safety, site cleanliness, environmental compliance, etc.
 - QA evaluates overall program effectiveness and provides additional system awareness to meet program objectives. Less frequent and more comprehensive assessment of cycle, scope, processes are meeting public safety and reliability objectives by avoiding defects (tree contacts and achieving thresholds for hazards) as expected for the period between treatment cycles. Perform using representative sampling of line segments across the system (not limited to sections recently worked).
 - Integrate short and long term corrective actions and continuous improvement into both QA and OC process.

10.3 - Management Systems

Observations

The Hydro One Forestry work management system was developed in 2005 and is reaching end of life. However, basic functionality is adequate to serve immediate needs and should not be a significant deterrent to improve performance as recommended in this report. However, it could be a limiting factor moving forward in the mid to long term.

Recommendations

- Continue with the “Move to Mobile” effort currently underway. There have been significant technology advances over the years with platforms readily available in the marketplace to contribute moving operations and resulting performance to the next level.
- Project Management/Scheduling is a critical element moving to a strict cycle and should be integrated into the existing systems and included as a requirement for any new work management system.

10.4 - Innovation and Continuous Improvement

Observations

Hydro One is joining industry leaders pursuing remote sensing and related mobile workforce technologies through their “Move to Mobile” initiative. This technology promises revolutionize the UVM industry in the coming years providing insight and awareness to system conditions and providing actionable products to improve performance at all levels. This technology may make the maintenance cycle as we know it to become obsolete in the future.

Recommendations

- Continue with the “Move to Mobile” effort currently underway.
- Integrate formal continuous improvement through technology and work practice into the QA process.
- Consider more active participation in UVM industry associations such as UAA, CEATI, EEI UVM Taskforce, among others. Hydro One Forestry has a lot to offer and would be welcomed as well as gain a tremendous amount knowledge from other industry leaders.

10.5 - Outage investigations and Tree Risk Assessment Model

Observations

Routine outage investigations are performed by first responders who collect basic cause information with more formal investigations performed by forestry personnel on certain M-Class feeders when there are multiple significant events over a one year period. The process is largely for reactive response lacking a comprehensive root cause analysis and sufficient data collection to integrate into a tree risk assessment model.

Recommendations

- Develop a Strategic Outage Investigation Process
 - Develop a formal outage investigation process to determine and validate outage root cause and associated factors. First question “was the outage due to a defect related to the standards (cycle & scope).
 - Outage analysis with feedback loop to calibrate cycle and work scope.
- Develop a Robust Hazard Tree Risk Assessment Process
 - Develop a risk model using data from outage investigative analysis based on species, environmental factors, failure profile and risk.
 - Utilize UAA BMP for tree hazard identification in large populations and associated industry best practices for tree assessment.
 - Fully integrate into routine maintenance cycle.

SECTION 11 – STRENGTHS AND SUPERIOR PRACTICES

Observations during this assessment point toward Forestry Services being overall well run, organized, and well equipped to carry out the mission and future direction to achieve success.

People

Highly engaged and passionate workforce, well trained with low turnover.

Employee Safety

Well-developed mature programs and materials, exceptional training programs for new hires. Health, Safety, and Environment (HSE) and Job Safety Planning (JSP) auditing top tier relative to the industry.

Apprenticeship Training and Qualifications

Best in Class relative to the UVM industry across all major contractors.

Emergency Response

Well-equipped and trained for emergency response activities. Particularly noteworthy is the ability of trained forestry crews to perform grounding during restoration activities. Grounding is often a high contributor to outage duration as UVM crews wait for limited QEWs to respond/.

Standards, Procedure, and Process Documentation

Extensive documentation of standards, work procedures, and process across all areas of the business. Includes everything from standards for Tx & Dx requirements, apprenticeship training requirements, work procedures, etc. Documentation is readily accessible on-line to the work group.

Job Planning and Customer Notification

Forty-eight people dedicated to job planning and customer work notification. Extensive process documents work scope, specifications, and requirements (only limited by the work management system), customer information, work constraints and other factors.

SECTION 12 – CASE STUDY

In the late 1990's all three major California IOU's came under significant scrutiny by regulators and public safety agencies due to deficient UVM practices that resulted in a multiple fatalities, injuries and catastrophic wildfires over a short period. Regulators responded by initiating regulatory actions and penalizing all three IOU's, including convictions on criminal negligence charges. As a result, the State PUC enacted strict regulations and the State passed legislation introducing criminal statutes for failure to meet certain UVM standards.

New law and regulations - 1997

The California PUC enacted regulations requiring utilities to maintain an 18" to 10' air gap (based on voltage) between all vegetation and energized conductors above 600v, at all times, in all areas, under all conditions and required mitigation of hazard trees. Failure to comply could result in regulatory actions including \$20,000 penalty per day per occurrence.

The Public Resource Code, safety statute, enacted regulations requiring utilities to maintain 4' to 10' air gap (based on voltage) between all vegetation and energized conductors above 600v, during fire season (April thru November), in wildland areas (70% of the State), Failure to comply could result in criminal actions.

Utility Response – 1997 to 1999

The CPUC gave utilities two years to comply with the new regulations with the prospect of additional sanctions if they did not. This was a daunting task as one utility estimated 40% of the trees were not in compliance. They were on a stated 4-year cycle at the time but fell far short of meeting their objectives. Funding increased dramatically and by 1999 they were working 2.2M trees and still fell short of meeting cycle, and even if they did so, compliance expectations appeared unachievable. Scope of work was to address all trees during the cycle that could encroach within minimum clearance but growth rates exceeded the cycle duration and as much as 50% of the work was reactive on the 75% of the system not being worked in any given year.

In 2000, the utility took a dramatically different approach, performing an annual assessment patrol, limiting the scope to trees projected to be out of compliance during the shortened cycle.

There was a risk that this approach was simply buying time and three years out would be catastrophic. However, there were few other choices other than tripling the budget, with no guarantees.

Results – 2000

First year cycle was successful, completed at a lower cost than the previous two years. Two million trees were worked (fewer than previous) on 100% of line miles. Statistical QA sampling indicated compliance was above 98% and reliability had drastically improved. Threat of a tree growth explosion continued to be a concern but short-term results exceeded expectations.

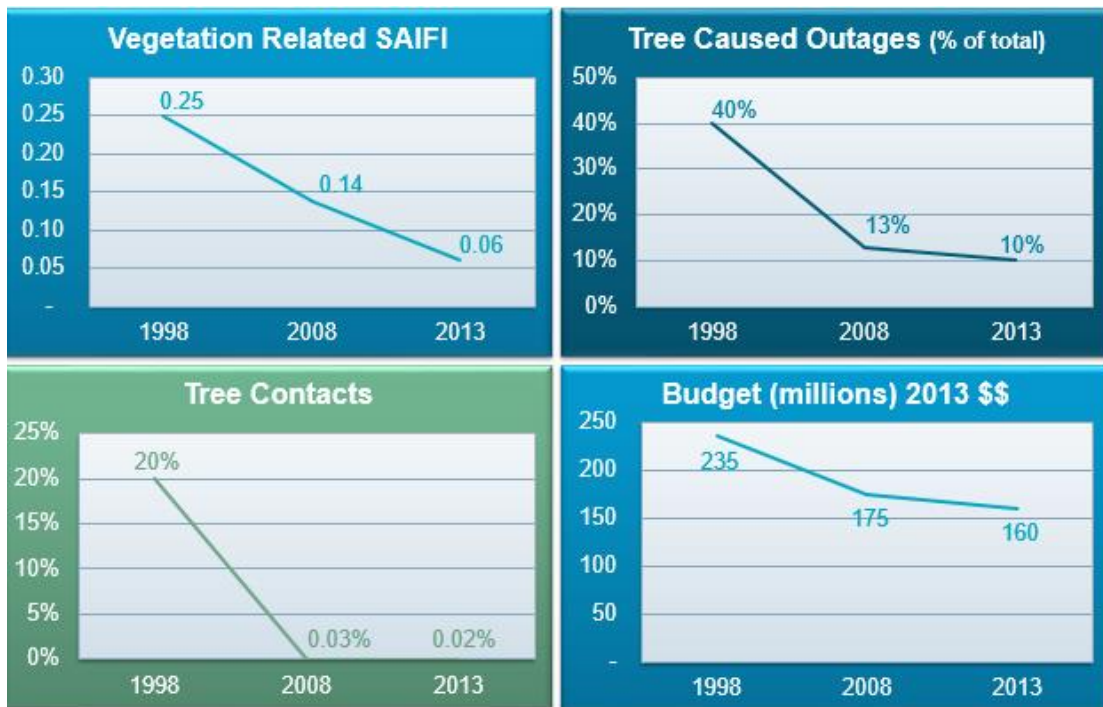
By 2003, fears of a growth explosion subsided as the number of trees requiring work was further reduced and performance continued to improve. The system was under control.

By 2006, the number of trees worked annually declined to just over 1.7M, compliance consistently measured above 99.5% and the number of outages fell by half.

In 2007 an initiative was introduced to further reduce the workload (with no reduction in performance) though more effective treatments. By 2015 the number of trees worked to maintain compliance fell to just above 1M and the cost per system and managed mile fell proportionately while compliance and reliability continued to improve.

The cost savings allowed the utility to invest in additional system improvements, such as targeted reliability work, public education campaigns and other high value activities.

Below are results achieved over that timeframe.



Summary

The ability to get on the right cycle was the driving force behind the results achieved. While a one year cycle may not be optimal for all systems, it was in this case due to the environment of fast growing vegetation and strict regulatory expectations.

APPENDIX A – ACKNOWLEDGMENTS AND WORKS CITED

American National Standards Institute (ANSI) - A300, Z133

Boston Consulting Group – Hydro One Study, 2016

Bureau of Labor Statistics, various

Centre for Energy Advancement through Technological Innovation (CEATI), various

CN Utility Consulting – Hydro One Study, October 2016

FERC Utility Vegetation Management Final Report, March 2004

Finley Engineering, Cost Analysis for Integrated Vegetation Management, April 2010

Hydro One Networks Inc, various

John Ball – Accidents in Arboriculture, September 2004

ISA, Survey of Tree Care Companies, Safety Training and Fatal Accidents, August 2010

Occupational Safety and Health Act (OSHA), various

Ontario Energy Board, OEB Report 2015

Ministry of Energy, various

Right-of-Way Stewardship Council, various

Utility Arborist Association, various

Utility Vegetation Management Association (UVMA), various

APPENDIX B – REASONABLE ARGUMENTS

Argument - 1 (modified work scope) - When forestry work is complete, I want to see a clear path down the ROW unobstructed with vegetation (floor to edge) for the safety and productivity of line maintenance crews and to aid restorations efforts.

Response – It comes down to a matter of priority. Floor to edge clearing is an ideal condition provided funding is available to do it on a regular cycle, and is the typical scope and best practice for higher voltage transmission lines with critical grid impacts. However, few utilities have the resources available, nor are regulators and customers willing provide that level of investment for distribution facilities. The current work scope inhibits optimal cycles due to the high cost thus forcing long cycles. With long cycles, ~50% of the ROWs are overgrown at any given time, compromising public safety and reliability. Further, the same overgrown lines have the greatest outage frequency, increasing employee exposure during maintenance and restoration. The recommendations contained herein seek to reduce outage frequency and thus employee exposure to restoration events. When additional access clearing is necessary for planned maintenance activities, and even restoration, it can be performed to the extent needed.

Argument - 2 (2017 Hydro One Strategy) – What is the main difference between the 2017 plan which shortens cycle on critical lines and implements a strategic plan for less critical lines than what is being suggested in this report?

Response – While there may be similarities in some respects, the recommendations contained herein focuses on preventative measures with a path toward an optimal cycle. Short term remedial actions are designed to achieve immediate results and critical system awareness until all feeders are on cycle. The Hydro One 2017 plan seeks to shorten the cycle on a portion of the system with an on-going strategy of remedial actions on the remaining feeders designed to reactively mitigate the effects of long cycles on poor performing feeders rather than solve the problem.

- An optimal cycle seeks consistent performance for the duration of the cycle and avoids reactive off-cycle remedial work such as the planned strategic work and mid-cycle hazard assessment.
- While critical feeders (<50%) receive much needed attention in a proactive manner, there is a risk of chasing performance on the remaining lines in a reactive manner.
- May create perception that customers are treated differently if they are on critical vs. less critical feeders opening the door for potential scrutiny in the future.

APPENDIX C - SYSTEM CHARACTERISTICS

Service Area – 640,000 sq. km

Customer Density

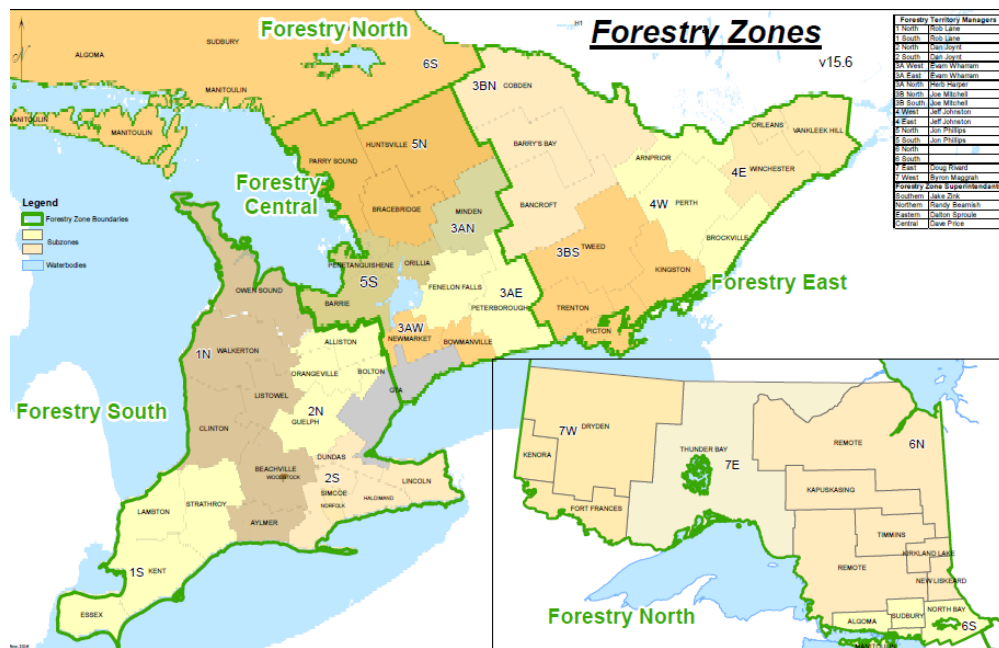
- Urban - .5%
- Suburban – 1.5%
- Rural – 75%
- Remote – 23%

Electric Infrastructure

- Transmission corridor – 21,000 km
- NERC regulated corridor – 12,271 km
- Overhead Distribution – 112,000 km

Customers (service meters):

- Residential – 1,144,468
- Commercial – 104,147
- Industrial – 1,749
- Agricultural – 10,387
- Other – 62,247
- Total – 1,322,998



Consumers Council of Canada Interrogatory # 45

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-03 Page 2

Interrogatory:

With respect to Development OM&A - Research Development and Demonstration please explain why HON has consistently spent less than the approved amounts in each year 2015-2017?

Response:

Hydro One spent less than the approved amounts largely due to emerging business needs, technologies and trends that required redirection of investment priorities as follows:

- In 2015 and 2016, there was a change in focus for Research Development and Demonstration (RD&D), moving from renewable generation research to emerging technologies research and productivity improving technologies. In addition, external contracts for research services were renegotiated, so as to permit a choice of vendors. Further details are provided on page 3 in Exhibit C1, Tab 1, Schedule 3.
- In 2017, several formal strategies were initiated to review and update the future direction of our Distribution business, including the role of disruptive and innovative technologies. These strategies are intended to develop a consistent framework to evaluate and maximize the value of RD&D investments for our Distribution customers.

1 **Consumers Council of Canada Interrogatory # 46**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-04 Page 2
10

11 **Interrogatory:**

12 Please provide details regarding HON's Smart Grid program. How does HON budget for Smart
13 Grid Program expenditures? Please provide details regarding the Distribution Management
14 System Upgrade Project including the full budget for the project.
15

16 **Response:**

17 For details regarding Hydro One's Smart Grid program, please see Exhibit I-23-Staff-087.
18

19 For details on how Hydro One budgets for Smart Grid Program expenditures, please see
20 response to Exhibit I-27-EnergyProbe-052.
21

22 For details on the Distribution Management System project, please see Investment Summary
23 Document SS-07. For details on the project, please see response to Exhibit I-24-Staff-103.

1 *Consumers Council of Canada Interrogatory # 47*

2
3 *Issue:*

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 *Reference:*

9 C1-01-04 Page 7
10

11 *Interrogatory:*

12 Please explain how HON budgets expenditures related to unplanned outages. Please provide the
13 budget (approved) and actual amounts related to unplanned outages for the years 2014-2018.
14 Does HON explicitly budget for storm damage? If so, how is that budget developed? What
15 amounts are included in the 2018 budget for storm damage?
16

17 *Response:*

18 Please refer to Exhibit C1, Tab 1, Schedule 2, pages 14 to 15, for an explanation on how Hydro
19 One budgets OM&A expenditures related to unplanned outages within its Trouble Calls
20 program. Storm Damage is a subset of the Trouble Call program and budget. The OM&A
21 amount for Storm Damage included in the 2018 Trouble Calls forecast is \$13.9 million.

1 **Consumers Council of Canada Interrogatory # 48**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-05 Page 2
10

11 **Interrogatory:**

12 Has HON assessed whether the implementation of the Fair Hydro Plan will impact the cost of its
13 Call Centre Operations, Bad Debt Expense and Customer Care Staffing? If so, have those
14 impacts been taken into account in the development of the 2018 OM&A Budgets? If not, why
15 not?
16

17 **Response:**

18 Hydro One's Application was submitted prior to the introduction of Fair Hydro Plan. As
19 such, OM&A forecast are not reflective of the Fair Hydro Plan. Additional impacts of the
20 Fair Hydro Plan can be found in Exhibit I-33-Staff-179.

1 **Consumers Council of Canada Interrogatory # 49**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-07 Page 3
10

11 **Interrogatory:**

12 For each of departments included in the Common Corporate Functions and Services OM&A
13 please provide an explanation as to how the budgets were developed for 2018.
14

15 **Response:**

16 All departments are budgeted through the Corporate Common Cost process, as briefly described
17 on Page 16 of the 2018-2023 Distribution Business Plan filed as attachment 1 with Exhibit Q,
18 Tab 1, Schedule 1. The only exception is the Facilities department which is planned through the
19 work program, as stated in note 1 on page 4 of Exhibit C1, Tab 1, Schedule 7. Through the
20 Corporate Common Cost process, each department is provided with a costing template where
21 both labour and non-labour expenses can be derived based on each individual groups specific
22 needs, as outlined within each departments section in Exhibit C1, Tab 1, Schedule 7. The
23 summary of the labour and non-labour budgets have been provided within the same exhibit, on
24 page 4. Once completed, each department's costs are allocated to Business Units by using the
25 methodology outlined by Black & Veatch's Review of Allocation of Common Corporate Costs
26 as described in Exhibit C1, Tab 4, Schedule 1, Attachment 1.

1 **Consumers Council of Canada Interrogatory # 50**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-07 Page 21
10

11 **Interrogatory:**

12 The evidence indicates that the Regulatory Affairs Budget is increasing in part because of
13 additional staffing needs related to an aggressive regulatory agenda. If HON's 5- Year rate plan
14 is approved by the OEB, and a 5-Year Plan is approved for HON Transmission, why would the
15 additional staffing be required? Please quantify the reduction in Regulatory Affairs costs in
16 2017 and 2018 related to the fact that a significant portion of the group moved to Planning to
17 benefit from system reliability reporting synergies. Please quantify the cost of the additional
18 staffing related to an aggressive regulatory agenda.
19

20 **Response:**

21 Additional staffing has been required for the rate application process for the major rate
22 applications under way.
23

24 To handle the aggressive regulatory agenda, it was determined that two new resources, at an
25 approximate cost of \$0.5 million would be required.
26

27 The planned reduction in Regulatory Affairs relating to the movement of the Performance
28 Management resources in 2017 and beyond is based on the movement of the majority of this
29 group. Of the ten resources that moved into Regulatory Affairs, seven were transferred out,
30 representing approximately \$1.4 million.

1 **Consumers Council of Canada Interrogatory # 51**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-02-01 Page 2
10

11 **Interrogatory:**

12 The evidence refers to the People Strategy as a critical component in driving high performance
13 and achieving corporate objectives. Is there a formal document setting out this strategy? If so,
14 please provide the document. When was this strategy adopted by HON?
15

16 **Response:**

17 Please see Exhibit I-40-SEC-75.

1 **Consumers Council of Canada Interrogatory # 52**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-02-01 Page 1
10

11 **Interrogatory:**

12 Please explain how HON has changed its approach to corporate staffing since the last HON
13 Distribution proceeding. Specifically, how did HON make “gains in either reducing or limiting
14 compensation costs and actively managing the efficiency and size of its work force, taking into
15 account the size of its work programs.”
16

17 **Response:**

18 Since filing Hydro One’s last distribution rate application (EB-2013-0416), the Ontario
19 Government broadened the ownership of Hydro One through an initial public offering. The
20 change to a publicly-traded company required a new strategy for compensation, and this new
21 approach has resulted in gains in either reducing or limiting compensation costs and/or more
22 effectively managing the efficiency of the work force. Examples include:
23

- 24 • driving a pay-for-performance culture for non-represented employees;
- 25 • introducing equity-based compensation which aligns employee and employer interests;
- 26 • focusing on best practices for non-represented employees compensation (see Exhibit C1,
27 Tab 2, Schedule 1, page 20 for more details);
- 28 • reducing costs by closing the defined benefit pension plan to new management
29 employees and introducing a new defined contribution pension plan;
- 30 • more variable and at-risk pay;
- 31 • segmenting management positions into either core or support roles which enables better
32 alignment of compensation levels with the external market;
- 33 • continued increases in employee pension contributions;
- 34 • a paradigm shift in collective bargaining where the unions accepted a lower than norm
35 base wage increase and lump sum payments (which do not comprise part of base wages)
36 instead of traditional higher salary adjustments;

Filed: 2018-02-12
EB-2017-0049
Exhibit I
Tab 38
Schedule CCC-52
Page 2 of 2

- 1 • lines of business actively introducing changes to how they perform their work more
- 2 effectively (see Exhibit C1 Tab 2 Schedule 1, pages 10-13 for more detail); and
- 3 • introducing greater oversight and approvals for all internal and external hiring.

1 *Consumers Council of Canada Interrogatory # 53*

2
3 *Issue:*

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 *Reference:*

9 C1-02-01 Page 9

10
11 *Interrogatory:*

12 Please provide the FTEs for 2015 and 2016 as set out in Table 1. Please explain why the PWU
13 Hiring Hall FTEs ramp up in 2018 and decline again in 2019

14
15 *Response:*

16 For FTE data, please refer to Exhibit I-40-SEC-77. In 2018, there is a forecast increase for
17 hiring apprentices that will join the PWU (Hiring Hall). This levels off for 2019 and beyond.

1 **Consumers Council of Canada Interrogatory # 54**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 **Reference:**

9 C1-02-01 Page 19

10
11 **Interrogatory:**

12 Please provide examples of how the STIP and LTIP programs operate.

13
14 **Response:**

15 For examples of how the LTIP works, please refer to Exhibit I-40-SEC-78, Attachment 1.

16
17 For examples of how STIP works, please refer to the attached STIP brochure in Exhibit I-40-
18 CME-34, pages 2-5.

Consumers Council of Canada Interrogatory # 55

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Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-02-01 Page 26

Interrogatory:

Please provide all documents that fully describe the Employee Share Ownership Plan.

Response:

Please see Attachments 1 and 2 for the ESOP Brochures for MCP employees and Society-represented employees.

HYDRO ONE EMPLOYEE SHARE OWNERSHIP PLAN

FOR MANAGEMENT AND NON-REPRESENTED (MCP) EMPLOYEES

Welcome to the Hydro One Employee Share Ownership Plan for Management and Non-represented (MCP) Employees. The Management Employee Share Ownership Plan (MCP ESOP) is your opportunity to benefit from the results that you help to create. How? By purchasing shares and becoming an owner in your company.

To encourage your participation in the plan, the MCP ESOP allows you to purchase Hydro One Limited shares using payroll deductions. It also has a matching component where the company matches 50% of your contributions up to a maximum set amount. The additional matching contributions from Hydro One provides a valuable addition to your Total Compensation package.

IMPORTANT – EARLY 2016 ENROLMENTS!

Computershare, the Administrative Agent of the MCP ESOP, is expected to begin purchasing shares in early March 2016. However, contributions (including the company match) are expected to begin on the first pay in January 2016. This means that all contributions to the MCP ESOP will be held in cash until the first share purchase can be processed in early March 2016 and at the share price on the TSX at the time of the purchase. If you choose to participate in the MCP ESOP, you will be notified, in writing, once the shares have been purchased to confirm the date and share price for the transaction. You will also receive a welcome package from Computershare with details for accessing and managing your account.

WHAT'S INSIDE:

Discover the MCP ESOP – a quick guide to how the Plan works

What it means to be an owner – things you need to know about share ownership

Tracking share value – the ins and outs of share performance

Managing your account – making changes and monitoring performance

Sign me up – how to enrol in the MCP ESOP

DISCOVER THE MCP ESOP: HOW IT WORKS

You can buy Hydro One Limited shares through the MCP ESOP. Hydro One has retained Computershare as our administrative agent to purchase these shares on your behalf. When you enrol in the MCP ESOP, an account will be set up for you at Computershare. You will be provided with login instructions so you can review your account at any time.

You can contribute up to 6% of your base salary. Contributions must be made in whole percentages (i.e.: multiples of 1%). When you contribute, Hydro One will provide a 50% match on your contributions to a maximum of 3% of base salary. All contributions are made through payroll deductions on a bi-weekly basis. Your contributions and Hydro One's contributions will be used to purchase Hydro One Limited shares on the TSX at market value. Contributions will be sent by Hydro One to Computershare for deposit into your account. As soon as reasonably practicable, Computershare will purchase Hydro One Limited shares on the TSX.

All Hydro One contributions are considered a taxable benefit so the value of Hydro One's contributions will be reflected on your pay statement and applicable statutory deductions will apply.

ELIGIBILITY FOR ENROLMENT

You are eligible to enrol in the MCP ESOP if you are a regular MCP employee with a minimum of 6 months of continuous service subject to the following exceptions:

- You are not in receipt of share grants or 6 months has elapsed since your last receipt of share grants under either the Hydro One Limited Society Represented Employee Share Grant Plan or the Hydro One Limited PWU Represented Employee Share Grant Plan;
- You are not in possession of any non-public material information; and
- You are not subject to a blackout period. **Refer to the Insider Trading Policy for further information.**

Enrolment is not available during blackout periods.

WHAT IT MEANS TO BE AN OWNER

Investing in shares is different than holding pooled funds or mutual funds. As a share owner, you need to understand how the share price fluctuates, the income you'll receive as a shareholder (dividends) and the potential for capital gains or losses when you sell your shares.

- **Price fluctuation** – The share price changes daily. Hydro One Limited shares are listed on the Toronto Stock Exchange with the symbol “H”. You can track the share price on the external [Investor Relations](#) website, or in the general marketplace – online or through stock market information.
- **Dividends** – Share owners may participate in dividend distributions. This happens when Hydro One Limited distributes a portion of company profits to shareholders. All dividend income is automatically reinvested in your account to buy additional Hydro One Limited shares and the value of the dividend income will be reflected on a T5 tax slip issued at year end.
- **Capital gains/losses** – Selling shares may result in a capital gain or loss, depending on the purchase price and market price in effect when the shares are sold. Hydro One is not liable for changes in share value that result in a capital loss. **Before participating in the MCP ESOP, be sure that you are comfortable with the volatility of owning shares in Hydro One Limited and speak with a professional financial advisor if you have any questions.**
- **Voting rights** – Participants will have voting rights similar to all shareholders, and information on the voting process will be provided by the administrative agent, as applicable. If instructions are not received, the shares will not be voted.

MANAGING RISK THROUGH PAYROLL PURCHASES

Share prices can be volatile and any share purchase comes with risk. Regular purchases at various share prices is one way to help manage that risk. When the price is low, your contributions buy more shares. When the price is high, contributions buy fewer shares. The result is an “averaging” of share purchase price that helps you benefit from the market ups and downs.

Example: \$250 contribution per pay

- @ \$20/share, \$250 buys 12.500000 shares
- @ \$30/share, \$250 buys 8.333333 shares
- **Average Share Price = \$24.00**

TRACKING SHARE VALUE

You can track the value of the Hydro One Limited shares on many financial websites. Here's an introduction to what you will see in the newspapers or online stock reports when you track the Hydro One shares:

The following example is for illustrative and educational purposes only. The Hydro One shares were initially offered at \$20.50 on Nov. 5, 2015.

Home > Market Activity > Get Quotes > Quote

Hydro One Limited

Exchange: TSX Exchange | Dec 10, 2015, 4:12 PM EST

H \$21.93 ↑ Change: **0.29 (1.34%)** Volume: **210,303**

Day Low 21.57

Day High 21.98

52 Week Low 21.01

52 Week High 23.15

Look here to see our current share price and how this has changed over the day

Look here to see the range that our share price has traded in since our IPO

PART OF YOUR OVERALL FINANCIAL PLAN

Ownership of Hydro One Limited shares should represent one part of a diversified investment portfolio. It is important to consider your **entire** portfolio of holdings to manage your overall investment mix and risks. When investing directly in shares, you should always seek professional financial advice.

For unbiased support in finding a professional financial planner in your area, visit the **Financial Planners Standards Council** website at www.fpsc.ca and look on the right-hand side for the grey box "Find a Planner or Certificant."

MANAGING YOUR ACCOUNT

All contributions and dividends are invested in Hydro One Limited shares and are deposited into your MCP ESOP account at Computershare. Computershare administers the MCP ESOP and provides you access to your account information. You can track your account balances online and may also receive periodic account statements.

CHANGING YOUR CONTRIBUTIONS

You can increase or decrease your contributions by requesting the change via the Computershare website once your account is setup. Your revised contribution rate will take effect in accordance with the dates provided through Computershare.

You can also suspend contributions for a period of time. Note that if you suspend contributions for 24 consecutive months, Hydro One may terminate your participation in the MCP ESOP and your account will be closed.

You cannot change your contribution level if you have non-public material information or are subject to a blackout period. Please refer to the Insider Trading Policy (available through HODS) and the Blackout Calendar (when available) for more information.

WITHDRAWAL AND/OR SALE RULES

Withdrawals (transfers to another brokerage) or sales from the MCP ESOP are permitted but the following restrictions apply:

WITHDRAWAL OR	ESOP RULES:	Withdrawals and/or sales are unavailable during blackout periods or when you have non-public material information. Please refer to the Insider Trading Policy (available through HODS) and the Blackout Calendar (when available) for more information.
Up to 50% of the account balance	... can be made in a combination of one or two withdrawals or sales per calendar year with no penalty	
More than 50% of account balance	... are permitted, but will lead to a 12-month suspension from participation in the MCP ESOP	

All sales will trigger a capital gain or loss. There are tax implications associated with the capital gain or loss, so it's essential to review the tax considerations prior to making a sale. You should also know that you pay any brokerage fees for the sale. Hydro One pays the ongoing costs associated with maintaining the MCP ESOP and the related governance activities in providing the plan to you, including account fees to cover administration and education services. Withdrawals (transfers to another brokerage) do not incur a brokerage fee or trigger a capital gain or loss, but transfer fees would apply.

MANAGING YOUR ACCOUNT (CONTINUED)

BENEFICIARIES

You will have the opportunity to name a beneficiary for your account to ensure that any proceeds go directly to your beneficiary (not your estate). If you do not name a beneficiary, proceeds will be paid to your estate. You will have to access your Computershare account to record your beneficiary.

IF YOU LEAVE HYDRO ONE

Computershare will send you forms to complete and return. You may withdraw or sell all shares held in your account, including Hydro One contributions made on your behalf. You will have 30 days to withdraw or sell your shares before Computershare will deem you to have requested a sale of all the shares in your account.

PLAN TERMINATION

Hydro One has established the MCP ESOP for your benefit, but reserves the right to amend or terminate it at any time. No amendment or termination to the MCP ESOP can prejudice your right to the full balance of your account without your consent.

SIGN ME UP!

To sign up for the MCP ESOP, you need to complete the Enrolment Form and follow the instructions on the form.

QUESTIONS?

If you need assistance with the online enrolment or need additional information, please contact ESOP@HydroOne.com.

This guide is provided for information purposes only. The content is not intended to create a contract of any kind. In the event of any inconsistency as between this guide and the MCP ESOP text, the text supersedes.



HYDRO ONE LIMITED SOCIETY REPRESENTED EMPLOYEE SHARE OWNERSHIP PLAN

Filed: 2018-02-12
EB-2017-0049
Exhibit I-38-CCC-55
Attachment 2
Page 1 of 7

Welcome to the Hydro One Limited Society Represented Employee Share Ownership Plan (SOC ESOP). The SOC ESOP is your opportunity to benefit from the results that you help to create. How? By purchasing shares and becoming an owner in your company.

To encourage your participation in the plan, the SOC ESOP allows you to purchase Hydro One Limited shares using payroll deductions. It also has a matching component where the company matches 25% of your contributions if the vesting requirements are satisfied, including a 2 year holding period. The additional matching contributions from Hydro One provide a valuable addition to your Total Compensation package.

WHAT'S INSIDE:

Discover the SOC ESOP – a quick guide to how the Plan works

What it means to be an owner – things you need to know about share ownership

Tracking share value – the ins and outs of share performance

Managing your account – making changes and monitoring performance

Sign me up – how to enroll in the SOC ESOP

DISCOVER THE SOC ESOP: HOW IT WORKS

You can buy Hydro One Limited shares through the SOC ESOP via payroll deductions. Hydro One has retained Computershare Trust Company of Canada (“Computershare”) as its Administrative Agent to purchase these shares on your behalf. When you enroll in the SOC ESOP an account will be set up for you at Computershare. You will be provided with login instructions so you can review your online account at any time.

You can contribute up to 4% of your base salary. Contributions must be made in whole percentages (i.e. multiples of 1%). Contributions are made through payroll deductions on a bi-weekly basis. When you contribute, Hydro One will provide a 25% delayed match on your contributions if the vesting requirements are satisfied, including a 2 year holding period. Your contributions and Hydro One’s contributions will be used to purchase Hydro One Limited shares on the TSX at market value. Contributions will be sent by Hydro One to Computershare for credit into your account. As soon as reasonably practicable, Computershare will purchase Hydro One Limited shares.

All Hydro One matching contributions are considered a taxable benefit. The value of Hydro One’s contributions will be reflected on your pay statement and applicable statutory deductions will apply.

HOW MATCHING WORKS

The matched contribution from Hydro One will not be paid until after the 2 year vesting period and the reconciliation process (which may take up to 3 months). During the reconciliation period your status and eligibility will be verified. The 4 criteria that must be met in order for to receive the match are:

- You have made payroll deductions and/or provided a contribution in the applicable earlier pay period, and
- You are a regular employee at Hydro One or one of its subsidiaries at the time the match is being allocated, and
- You are still represented by The Society of Engineering Professionals at the time the match is being allocated, and
- You continue to be in possession of the shares purchased prior to the 2 year holding period at the time the match is being allocated (i.e. you have not subsequently sold or withdrawn the shares)

If any the criteria listed are not met then you are no longer eligible for the matching contribution for the applicable quarter. If all the criteria listed above are met a matching contribution equal to 25% of your original contribution (net of withdrawals), will be allocated to your account.

It is solely your responsibility to determine whether you sell or withdraw shares before the 2 year holding period has elapsed. Shares sold or withdrawn will not attract your match by Hydro One.

Disclaimer: The following example is for illustrative and educational purposes only. The matching date is approximate and may vary based on the reconciliation process.

EXAMPLE	
Bi Weekly Base Salary Calculation:	\$2822.00
Elected Contribution:	4%
Hydro One Match Contribution: (4% X 25%)	1%
SOC ESOP Deduction Calculation: <i>Bi-weekly X Elected Contribution effective November 2, 2016</i>	\$112.88
SOC ESOP Hydro One Match (Taxable Benefit) Calculation: <i>Bi-weekly Base Salary X Hydro One Match Contribution April 2019 (second anniversary and reconciliation period) (\$2,822.00 X 1%)</i>	\$28.22

Note: Upon retirement or in certain other circumstances outlined in Section 9 of the official Plan Text, you are entitled to accelerated matching contributions.

ELIGIBILITY FOR ENROLMENT

You are eligible to enrol in the SOC ESOP if you are a regular Society represented employee with a minimum of 6 months of continuous service and:

- You are not in receipt of share grants or 6 months has elapsed since your last receipt of share grants under either the Hydro One Limited Society Represented Employee Share Grant Plan or the Hydro One Limited PWU Represented Employee Share Grant Plan;
- You are not in possession of any non-public material information; and
- You may not withdrawal and/or sell your shares during the Blackout Periods (please refer to the Blackout Calendar attached)

Enrolment changes cannot be made during blackout periods.

WHAT IT MEANS TO BE AN OWNER/SHAREHOLDER

Investing in shares is different than holding pooled funds or mutual funds. As a share owner/shareholder, you need to understand how the share price fluctuates, the income you'll receive as a shareholder (dividends) and the potential for capital gains or losses when you sell your shares.

- **Price fluctuation** – The share price changes throughout the day. Hydro One Limited shares are listed on the Toronto Stock Exchange with the ticker symbol “H”. You can track the share price on the external [Investor Relations](#) website, or in the general marketplace – online or through stock market information. A link to the Investor Relations website can also be found on [People Matters](#).
- **Dividends** – This happens when Hydro One Limited distributes a portion of company profits to shareholders. Dividend income net of any applicable taxes is automatically reinvested in your account to buy additional Hydro One Limited shares.
- **Capital gains/losses** – Selling shares may result in a capital gain or loss, depending on the purchase price and the market price when the shares are sold. Hydro One is not liable for changes in share value that result in a capital loss. **Before participating in the SOC ESOP, be sure that you are comfortable with the volatility of owning shares in Hydro One Limited and speak with a professional financial advisor if you have any questions.**
- **Voting rights** – You will have voting rights similar to all shareholders. Information on the voting process will be provided on the direction of the Administrative Agent, as applicable. If voting instructions are not received by the Administrative Agent, the shares will not be voted.

MANAGING RISK THROUGH PAYROLL PURCHASES

Share prices can be volatile and any share purchase comes with risk. Regular purchases at various share prices is one way to help manage that risk. When the price is low, your contributions buy more shares. When the price is high, contributions buy fewer shares. The result is an “averaging” of share purchase price that helps you benefit from the market ups and downs.

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All contributions are invested and dividends are automatically re-invested with Hydro One Limited shares and are deposited into your SOC ESOP account at Computershare. You can track your account balances online and may also receive periodic account statements.

CHANGING YOUR CONTRIBUTIONS

Once Computershare starts managing enrolment/changes and your account has been setup you can enrol, increase or decrease your contributions by requesting the enrolment/change via the Computershare's website or via Computershare's call centre. Your revised contribution rate will take effect in accordance with the dates provided through Computershare.

You can also suspend contributions for a period of time.

You cannot change your contribution level if you have non-public material information or are subject to a blackout period. Please refer to the Insider Trading Policy (available through HODS) and the Blackout Calendar (when available) for more information.

WITHDRAWAL AND/OR SALE RULES

Withdrawals (transfers to another brokerage and certificate requests) or sales from the SOC ESOP are permitted.

However, withdrawals and/or sales are unavailable during blackout periods and/or when you have non-public material information. Please refer to the Insider Trading Policy (available through HODS) and the Blackout Calendar (when available) for more information.

All sales will trigger a capital gain or loss. There are tax implications associated with the capital gain or loss, so it's essential to review the tax considerations prior to making a sale. You should also know that you pay any brokerage and transaction fees for the sale. Hydro One pays the ongoing costs associated with maintaining the SOC ESOP and the related governance activities in providing the plan to you, including account fees to cover administration and education services. Withdrawals (transfers to another brokerage and certificate requests) are not subject to brokerage fees, but will incur transaction fees.

As previously noted, it is solely your responsibility to determine whether you withdraw shares acquired from your personal contributions and/or shares acquired from matching contributions with the understanding that if you sell/withdraw shares acquired with your contributions before the applicable Anniversary Date(s), such shares sold/withdrawn will not attract matching contributions.

Also, as the official Plan Text contemplates shares (a) acquired from participant contributions including corresponding shares acquired with dividend(s) and (b) acquired from employer contributions (including corresponding shares acquired with dividends), being withdrawn on a 'first-in-first-out' basis, un-matched shares acquired from participant contributions may be withdrawn before shares acquired from dividends.

IF YOU LEAVE HYDRO ONE

Computershare will send you forms to complete and return. You may withdraw or sell all shares held in your account, including Hydro One contributions made on your behalf. You will have 90 days to withdraw or sell your shares before Computershare will deem you to have requested a sale of all the shares in your account.

PLAN TERMINATION

Hydro One reserves the right to amend or terminate the SOC ESOP at any time with the consent of The Society of Energy Professionals. No amendment or termination to the SOC ESOP can prejudice your right to the full balance of your account without your consent.

SIGN ME UP!

Until mid-November 2016 to sign up for the SOC ESOP, you need to complete the Enrolment Form and follow the instructions on the form. Once Computershare starts managing enrolment, you will need to enrol via Computershare's Employee Online Portal or call centre.

QUESTIONS?

If you need assistance with the online enrolment or need additional information, please contact ESOP@HydroOne.com or [1-888-942-7547](tel:1-888-942-7547)

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1 **Consumers Council of Canada Interrogatory # 56**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-02-01
10

11 **Interrogatory:**

12 What would be the impact on the 2018 revenue requirement assuming the Board applies
13 compensation cost reductions consistent with its findings in the EB-2016-0160 Transmission
14 Decision?
15

16 **Response:**

17 Please refer to Exhibit I-40-SEC-84.

1 **Consumers Council of Canada Interrogatory # 57**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-02-01 Page 37
10

11 **Interrogatory:**

12 The 2016 Mercer Compensation Benchmarking Study results in HON being positioned as 14%
13 above the market median. Please explain to what extent HON is making efforts to bring HON
14 more in line with the comparators?
15

16 **Response:**

17 Please see Exhibit I-38-CCC-52 for details of Hydro One's efforts related to compensation costs.
18

19 With 90% of Hydro One employees being unionized, it is a challenge to reduce total
20 compensation for the represented workforce. Hydro One was successful in the most recent
21 round of collective bargaining by negotiating lower than norm base wage adjustment and lump
22 sums. The current PWU and Society collective agreements expire March 31, 2018 and March 31,
23 2019, respectively, and Hydro One will continue to seek cost restraint and increased flexibility.

1 **Consumers Council of Canada Interrogatory # 58**
2

3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-03-01-02 Page 2
10

11 **Interrogatory:**

12 Please explain why the Fleet Management Services Budget is increasing significantly in 2018
13 relative to historical levels – 2014-2016.
14

15 **Response:**

16 As stated in Exhibit C1, Tab 3 Schedule 2, Attachment 2, page 2, line 19, the increase in
17 Operations and Repairs from 2016 to 2017 is due to additional costs related to the Telematics
18 project. On page 3, line 5 of the Exhibit it states that the Depreciation costs are expected to be
19 higher beginning in the bridge year due to an increase in fleet size to support planned work
20 programs.

1 **Consumers Council of Canada Interrogatory # 59**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 **Reference:**

9 C1-02-01

10
11 **Interrogatory:**

12 Has HON ever engaged its customers regarding its employee compensation levels? If not, why
13 not? If so, please provide the results of that engagement.

14
15 **Response:**

16 The topic of compensation was raised during the OEB Community Engagement Days and in the
17 many letters of comment on the record of this proceeding. The results were discussed in the
18 OEB's staff Community Meeting Report for this Application (dated September 7, 2017) and
19 during the December 7, 2017 Executive Presentation.

Power Workers' Union Interrogatory # 16

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as system reliability, service quality, asset condition, cost benchmarking, bill impact and customer preferences?

Reference:

C1-01-02 Page: 29-30

The overall vegetation management OM&A expenditure for the 2018 test year is an increase of 4.7% relative to the 2017 bridge year forecast. This increase represents the pacing of the vegetation management work programs in line with the long-term strategy to regain control of backloged maintenance and reduce average maintenance cycles. However, compared to the last rate application (EB-2013-0416), the current proposed 2018 forecast expenditure has been reduced, as a result of efficiency improvements, while maintaining the same volume of work as the previous 2018 plan.

B1-01-01 Section 2.3 Page: 42



Figure 31 - ROW Vegetation Demographics

1 **Interrogatory:**

- 2 a) What are the estimated cycle clearing inventory and tactical maintenance inventory backlogs
3 at the end of the test period?
4
5 b) What share of Hydro One's ROW is attributable to each of the cycle clearing and tactical
6 maintenance inventories?
7

8 **Response:**

- 9 a, b) The vegetation management strategy originally filed in Exhibit C1, Tab 1, Schedule 2 has
10 been replaced by the new strategy outlined in Exhibit Q, Tab 1, Schedule 1. Under this
11 new strategy, all the rights-of-way will be managed on a three year cycle, so there will be
12 no backlog of maintenance at the end of the five year period.

1 **Power Workers' Union Interrogatory # 17**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
9 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
10 preferences?
11

12 **Reference:**

13 B1-01-01 Section 1.6-A02 Page: 61
14

15 The positive outlook is that 50% of the system is targeted for a consistent schedule (4-8 year
16 cycle) of maintenance that includes the highest priority and largest load kilometers on the
17 system, M-Class and non-M-class feeders. Over the next six years all of the backlog of work for
18 this half of system will be brought up to date. This requires 8,500 kilometres of M-Class and
19 non-M-class feeders to be managed each year.
20

21 The areas that are in need of improvement are the other half of the system, which is composed of
22 single and two-phase lateral primaries and associated secondary lines that feed residential and
23 commercial customers. Under the current plan only 3,500 kilometres of these lines will be
24 managed each year for the next six years. This will put the second half of the system further
25 behind and the annual increment of work will be the equivalent of a 15-year cycle of
26 management. This is a rational approach to cope with a reduced budget. Although greater
27 efficiencies can improve the execution of the program, it will not be enough to offset the
28 reductions in program expenditures. Additionally, the new schedule will increase the risk of
29 outages occurring on the single and two-phase lines.
30

31 The highest priority recommendation from this study is that Hydro One should strive to bring all
32 of its system to a 4-8 year flexible cycle that is trued up each year to ensure backlogs do not
33 creep back into the schedule. The current plan to prioritize the M-Class and feeder system is
34 appropriate if sufficient attention can be given to the rest of the system. This may require greater
35 expenditures in the future and an increase in the number of lower cost hiring hall or contract
36 personnel. In the short-term, the single and two-phase system should be worked on an eight to
37 nine-year cycle of management instead of a 15 year cycle. This would require increasing the

Witness: GARZOUZI Lyla

1 annual increment from 3,500 to approximately 6,000 kilometres. The program could be ramped
2 up 500 kilometres each of the six years after which additional resources can be reassigned from
3 the M-Class and feeders. These will be managed under a six-year IVM cycle and require fewer
4 resources to keep cleared.

5
6 C1-01-02 Page: 32
7

8 Hydro One develops investment levels for the tactical maintenance program based on a forecast
9 level of work to manage overgrown vegetation, factoring in regional fluctuations in unit prices,
10 and the productivity initiatives discussed in Exhibit B1, Tab 1, Schedule 1 the Distribution
11 System Plan, Section 1.5. The proposed spending for the 2018 test year is an increase of
12 approximately \$9 million relative to the 2017 bridge year forecast expenditures. This increase is
13 primarily to allow another 750 kilometers of right-of-way (to a total of 4,250 kilometers) to be
14 cleared in 2018 in order to further reduce asset age, improve reliability and improve asset
15 condition in line with Hydro One's long-term strategy to reduce its average maintenance cycle as
16 recommended in benchmarking study discussed in Exhibit B1, Tab 1, Schedule 1 the
17 Distribution System Plan, Section 1.6.

18
19 **Interrogatory:**

- 20 a) Please explain why Hydro One is increasing the tactical maintenance program to 4,250 km
21 and not 6,000 km as recommended in CN Utility Consulting's Hydro One Vegetation
22 Management Study?
23
24 b) Does Hydro One plan to undertake tactical maintenance on 4,250 km each year of the test
25 period, or will it increase each year as recommended by CN Utility Consulting?
26
27 c) What will the average maintenance cycle be for the tactical maintenance program under
28 Hydro One's proposed plan?
29

30 **Response:**

31 a,b,c) The vegetation management strategy originally filed in Exhibit C1, Tab 1, Schedule 2 has
32 been replaced by the new strategy outlined in Exhibit Q, Tab 1, Schedule 1. Under this
33 new strategy, the rights-of-way will now be managed using a defect based approach with a
34 three year maintenance cycle addressing 34,666 kilometers annually.

1 **Power Workers' Union Interrogatory # 18**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
9 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
10 preferences?
11

12 **Reference:**

13 B1-01-01 Section 1.5 Page: 7
14

15 Labour Optimization: Forestry is working to optimize the number of high-skilled regular work
16 staff to the level required to complete core work programs. Temporary workers will be utilized to
17 perform the additional work in the applicable areas, allowing for additional flexibility in Hydro
18 One's labour expense. In addition, Forestry is working to outsource low skilled brush control
19 work at reduced expense to Hydro One. Both of these initiatives are expected to develop
20 throughout the Application period (2018-2022).
21

22 **Interrogatory:**

23 a) Please explain what "In addition, Forestry is working to outsource low skilled brush control
24 work at reduced expense to Hydro One" means in the above statement?
25

26 **Response:**

27 a) Hydro One's long term plan is to work towards a resourcing model where a stable number of
28 PWU labourers working in local centers across the Province are assigned ongoing small
29 brush control tasks and support activities, including clean up and flagging. To staff the high
30 volume of intermittent brushing work, Hydro One will be working towards a solution that
31 includes utilizing outsourced labour.

1 **Power Workers' Union Interrogatory # 19**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
9 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
10 preferences?

11
12 **Reference:**

13 N/A

14
15 **Interrogatory:**

16 a) With respect to vegetation management, please advise whether the new plan outlined in
17 Exhibit Q-1-1 has any impact on the evidence with respect to Labour Optimization outlined
18 at Exhibit B1-1-1, DSP Section 1.5, p. 7 of 12, or the savings forecast set out at Table 19
19 thereof.

20
21 b) How does the new vegetation management plan outlined in Exhibit Q-1-1 impact on the
22 composition of the workforce needed to implement the plan relative to the previous plan? In
23 particular, what changes to the number of (a) regular employees; (b) Hiring Hall staff; and
24 non-Hiring Hall contractors are forecast to be used in each of the years of the application?

25
26 **Response:**

27 a) Please refer to Exhibit I-8-Staff-37 for explanation of how Exhibit Q, Tab 1, Schedule 1
28 impacts forecasted operations savings for the vegetation management program.

29
30 b) The new vegetation management strategy calls for a significant increase in high skilled
31 resources between 2018 and 2020. Hydro One's plan is to work with the Power Worker's
32 Union resources to the extent possible and seek out outsourced labour if required. Future
33 staffing needs are being analyzed and estimates for each labour category listed are not
34 available at this time. The preliminary models are indicating that by 2022, once the
35 maintenance backlog is cleared and a three year cycle is being maintained, 15 to 20 % less
36 regular staff would be optimum to ensure coverage for ongoing transmission forestry skilled
37 work as well as distribution planned vegetation maintenance and demand activities.

Witness: KIRALY Gregory

1 **Power Workers' Union Interrogatory # 20**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
8 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
9 preferences?

10
11 **Reference:**

12 N/A

13
14 **Interrogatory:**

15 a) With respect to Exhibit B1-1-1, p. 15 of 43, does Hydro One agree that, with respect to the
16 events it has classified as “force majeure”, the impact of the outage (either scope or duration)
17 would also likely have been affected by the existence of vegetation management backlogs
18 and/or asset condition issues?

19
20 **Response:**

21 a) Yes, the impact of the outage/interruption may be affected by vegetation management
22 backlogs and/or asset condition issues during a “force majeure” event.

1 **Power Workers' Union Interrogatory # 21**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
9 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
10 preferences?
11

12 **Reference:**

13 Q-01-01 Page: 14 (New Vegetation Management Strategy)

14 *This approach to vegetation management will allow Hydro One to eliminate its backlog more*
15 *quickly and improve the overall condition of its right-of-ways by 2022.*
16

17 **Interrogatory:**

- 18 a) Please clarify if the above statement is stating that Hydro One will be able to eliminate its
19 backlog by 2022.
- 20 b) If the new defect based approach focuses on defects rather than completely clearing
21 vegetation in a corridor like in the past, under what definition of 'backlog' is HO assuming
22 that it will be able to eliminate backlog –specifically, HO will not be clearing completely the
23 vegetation, which is the basis of the current definition of backlog.
- 24 c) Has HO started implementing the new strategy? If not, when is HO planning to implement
25 the new strategy?
26

27 **Response:**

- 28 a) Yes, using the new vegetation management strategy, it is expected that backlogged
29 vegetation defects will be eliminated by 2022.
30
- 31 b) As indicated in Section 2.1 of Exhibit Q, Tab 1, Schedule 1, Attachment 2, Hydro One
32 currently has 432,000 hazard tree defects and 366,000 tree contact defects on the distribution
33 system. These existing defects represent the backlogged maintenance. During the first cycle,
34 Hydro One will clear these backlogged defects in addition to the defects that will pose a risk
35 before the next maintenance treatment three years later.
36
- 37 c) Yes, Hydro One has started implementing the new strategy.

1 **Power Workers' Union Interrogatory # 22**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
9 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
10 preferences?
11

12 **Reference:**

13 Q-01-01 Page: 14
14

15 Hydro One forecasts the 2018 cost of \$149.6 million for vegetation management will not change
16 with the new vegetation management strategy, as Hydro One views the 2018-2022 period as
17 transitional, and Hydro One anticipates incurring transition costs with this new approach. Hydro
18 One is cautiously optimistic that, once the transition is complete, vegetation management costs
19 may decrease by 2023.
20

21 Q-01-01-01 Page: 13
22

23 The strategy will not require any increases to the existing funding requirements and is expected
24 to realize significant benefits by 2021. This transformation will also improve unit cost in the long
25 term.
26

27 **Interrogatory:**

28 a) Please confirm that the new vegetation management strategy will not affect the vegetation
29 management cost forecast not only for 2018 but also for the remaining test years. If not,
30 please explain.
31

32 b) Please identify the nature and amount of transition costs that Hydro One anticipates to incur
33 as a result of the new vegetation management strategy. Are the “transition costs” included in
34 the forecasted \$149.6 million annual cost?
35

36 c) Hydro One says it is “cautiously optimistic” that once the transition is complete, vegetation
37 management costs may decrease by 2023. Please discuss the uncertainties and risks around

Witness: GARZOUZI Lyla

1 the new vegetation management strategy and its benefits that make Hydro One to be
2 'cautiously optimistic' about cost reductions by 2023.

3

4 d) In Ref (b), what are the significant benefits expected to be realized in 2021?

5

6 **Response:**

7 a) The new vegetation management strategy outlined in Exhibit Q, Tab 1, Schedule 1 does not
8 affect the total cost forecast filed on page 29 in Exhibit C1, Tab 1, Schedule 2 for 2018 and
9 beyond.

10

11 b) Yes, transition costs are included in the forecasted budget for 2018. Please refer to
12 interrogatory response Exhibit I-29-CME-27 for details on the transition costs.

13

14 c) The primary uncertainties/risks are defined in interrogatory response Exhibit I-38-PWU-24
15 part (e). Please refer to part (d) of this response for the benefits of the new strategy.

16

17 d) The expected benefits are included in the Optimal Cycle Protocol briefing note filed in
18 interrogatory response Exhibit I-3-SEC-4.

1 **Power Workers' Union Interrogatory # 23**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
9 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
10 preferences?

11
12 **Reference:**

13 Q-01-01 Page: 14

14
15 The changes to the vegetation management strategy has resulted in a change to the 2018 target in
16 the Distribution OEB Scorecard for “Vegetation Management – Gross Cyclical Cost per km \$”
17 presented on page 20 of the updated Distribution Business Plan (Attachment 1).

18
19 **Interrogatory:**

20 a) On Page 20 of Attachment 1, the target in 2018 is given as \$3,600/km. What was the original
21 target before the change?

22
23 **Response:**

24 a) As indicated on page 3 in Exhibit B1, Tab 1, Schedule 1, DSP Section 1.4; the 2018 target
25 for vegetation management gross cycle cost was originally \$9,382 per kilometer.

Power Workers' Union Interrogatory # 24

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as system reliability, service quality, asset condition, cost benchmarking, bill impact and customer preferences?

Reference:

Q-01-01-02 Page: 5, 10

...It was evident that maintenance activities have been largely focused on areas within the ROW, leaving behind Off-ROW vegetation which is the major contributor to poor reliability performance. (page 5)

.....Although, the number of hazard trees does not show the same obvious pattern of increase over time, this is primarily because the Off-ROW hazard trees are not a focus under the current work scope and a significant number remain in place in the years immediately following clearing work. (page 10)

Interrogatory:

- a) Prior to the Clear Path Study, was Hydro One aware that Off-ROW hazard trees were the major contributor to poor reliability performance? If yes, why didn't Hydro One focus on Off-ROW hazards and broaden the scope of work to include them?
- b) Please provide examples of the major categories of lands in the category "Off-ROW" where hazard trees contribute to Hydro One reliability performance.
- c) Are these Off-ROW areas typically adjacent to ROWs, or are they in geographically distinct areas?
- d) The Clear Path study recommends an approach different from a complete clearance of vegetation; however, it also recommends broadening the scope of work to include Off-ROW

1 vegetation management. In this respect, how confident is Hydro One that the new approach
2 will result in cost savings?

3
4 e) What are the major risks to the achievability of the new vegetation management plan, in
5 terms of schedule and budget?

6
7 **Response:**

8 a) Please refer to interrogatory response Exhibit I-25-Staff-137 part (b). Off-ROW hazard trees
9 were included in the previous scope of the vegetation management program, but the new
10 scope will be able to address the risks associated to these defects to a greater extent due to the
11 fact that more kilometers will be covered in a given year.

12
13 b) Off-ROW hazard trees can exist anywhere trees grow adjacent to and are tall enough to come
14 into contact with Hydro One assets. Primarily, hazard trees are located in forested settings.

15
16 c) Please refer to part (b) of this response.

17
18 d) Hydro One is confident that the program will succeed and result in cost savings. Please refer
19 to interrogatory response Exhibit I-25-Staff-138 part (a) for an explanation of why Hydro
20 One expects unit prices to decrease based on the new vegetation management strategy.

21
22 e) The major risks to the achievability of the new strategy include:

- 23 • Maintaining required funding levels,
- 24 • Maintaining a uniform adoption and application of the revised scope,
- 25 • Achieving unit productivity and cost targets,
- 26 • Availability of skilled resources, and
- 27 • Installing and sustaining appropriate management systems.

School Energy Coalition Interrogatory # 69

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-01

C1-01-02

Interrogatory:

For each of the following tables, please add a column, showing 2017 actuals to the end of Q3.

a) C1-1-1, p.2, Table 1

b) C1-1-2, p.29, Table 5

Response:

Final actual values for 2017 will be provided once they are available.

1 **School Energy Coalition Interrogatory # 70**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-01
10

11 **Interrogatory:**

12 Please provide revised versions of the following tables by adding a column under the 2017
13 heading showing 2017 actuals:
14

15 a) [C1-1-1] Tables 1
16

17 b) [C1-1-2] Tables 1-5
18

19 c) [C1-1-3] Table 1
20

21 d) [C1-1-4] Table 1
22

23 e) [C1-1-5] Table 1
24

25 f) [C1-1-5] Table 2
26

27 g) [C1-1-6] Tables 1-4
28

29 h) [C1-1-7] Tables 1-2
30

31 **Response:**

32 Audited 2017 actuals are unavailable at the time of writing this response. Hydro One will
33 provide audited 2017 actuals after they become available.

Witness: JODOIN Joel

1 **School Energy Coalition Interrogatory # 71**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-02 Page: 27-30

10 With respect to vegetation management sustaining OM&A:
11

12 **Interrogatory:**

- 13 a) [C1-1-2, p.29] Please explain the variance between approved and actual/forecast vegetation
14 management sustaining OM&A in each year between 2015 and 2017.
15
- 16 b) [p.29] Based on the new ‘Cycle Clearing’ And ‘Tactical Maintenance”, please recast the
17 2014 to 2016 actual and approved amounts into those two new categories.
18
- 19 c) [p.29] For each year between 2014 and 2018, please provide the number of kilometers of
20 vegetation completed. Please break the amount done by former categories of line clearing
21 and brush control, as well as the new categories of cycle clearing and tactical maintenance.
22
- 23 d) Please provide details regarding the length of Hydro One’s vegetation management cycle.
24 Please explain how that has changed over the last 10 years, and please explain how it may or
25 may not change during the proposed 2018-2022 term.
26
- 27 e) Please complete the attached excel spreadsheet, and return in the same format.
28

29 **Response:**

- 30 a) For variance explanations please refer to page 6 in Exhibit C1, Tab 1, Schedule 1.
31
- 32 b) The Cycle Clearing and Tactical Maintenance program strategies are materially different
33 from the previous year’s programs. The 2014 to 2016 actuals and approved amounts cannot
34 be recast to these categories.
35
- 36 c) Please refer to interrogatory response Exhibit I-38- Staff-194 part (c).

1 d) Vegetation management cycles are calculated using line clearing accomplishment units. For a
2 given year, the cycle length is calculated by dividing the kilometers completed in that year by
3 the right-of-way inventory of 104,000 kilometers. For trending purposes, the cycle is
4 averaged over a number of years.

5
6 Generally, average maintenance cycles have been getting longer over the last 10 years. The
7 average maintenance cycle peaked in 2014, but with increased accomplishments in
8 2015/2016 and a significant forecasted increase in kilometers completed in 2017, Hydro One
9 has begun to lower its maintenance cycle.

10
11 With the new vegetation management strategy outlined in Exhibit Q, Tab 1, Schedule 1, it is
12 expected that the average maintenance cycle will stabilize at 3 years by the end of five year
13 term.

14
15 e) Please see Attachment 1 to this response for the requested line clearing and brush control unit
16 cost information for 2014 to 2016. For 2017 and beyond, Hydro One has changed the
17 strategy for the vegetation management program (as described in Exhibit Q, Tab 1, Schedule
18 1) therefore these categories described are no longer applicable. For the 2018 to 2022
19 vegetation management unit cost forecasts, under the new strategy, please refer to
20 interrogatory Exhibit I-18-SEC-29.

38-SEC-71e

Please complete the shaded area

		Vegetation Management								
		2014A	2015A	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Line Clearing	Net Dollars (\$)	\$ 97,746,679	\$ 93,623,266	\$ 87,732,364						
	Units (km)	9,474	10,366	11,753						
	Unit Cost (\$/km)	\$ 10,317	\$ 9,032	\$ 7,465						
Brush Control	Net Dollars (\$)	\$	\$ 7,707,763	\$ 35,045,913						
	Units (km)	6,177	3,497	14,031						
	Unit Cost (\$/km)	\$ 3,864	\$ 2,204	\$ 2,498						

1 **School Energy Coalition Interrogatory # 72**
2

3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-03 Page: 2
10

11 **Interrogatory:**

12 Please explain the variance between approved and actual/forecast Research Development and
13 Demonstration development OM&A in each year between 2015 and 2017.
14

15 **Response:**

16 Please refer to interrogatory response Exhibit I-38-CCC-45.

School Energy Coalition Interrogatory # 73

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Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-05 Page: 8

Interrogatory:

Please provide a revised forecast of Hydro One's 2018 bad debt costs as a result of the implementation of the Fair Hydro Plan. Please explain any changes made.

Response:

Please see Exhibit I-33-Staff-179.

1 **School Energy Coalition Interrogatory # 74**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 Executive Presentation Day Page: 40
10

11 During the Executive Presentation, Hydro One stated that it offers a service guarantee and if it is
12 not met, it credits the customer \$75.
13

14 **Interrogatory:**

- 15 a) Please provide full details of this program.
16
17 b) Please confirm if it is seeking to recover the amount from ratepayers. If confirmed, please
18 explain why this is appropriate.
19
20 c) Please provide the amount built into the proposed test period budget.
21
22 d) Please comment on the legality of such a credit absent an order pursuant to section 78 and
23 inclusion on Hydro One's tariff sheet.
24

25 **Response:**

- 26 a) Please refer to Exhibit I-2-Staff-2.
27
28 b) Please refer to Exhibit I-2-Staff-2. These guarantees provide tangible evidence that Hydro
29 One is customer focused, stands behind the service provided to customers and like many
30 industries, compensates customers for poor service.
31
32 c) Please refer to Exhibit I-2-Staff-2.
33
34 d) Section 78 of the Act addresses rates. The credit is not a rate.

1 The department reports functionally to the Audit Committee of Hydro One's Board of
2 Directors and reports administratively to the Chief Financial Officer. The department is
3 structured along five lines/pillars:

- 4
- 5 • Financial/Operational Audit
- 6 • Technical Audit
- 7 • Environment, Health, Safety Audit
- 8 • IT Audit
- 9 • Construction/Capital Projects Audit

10

11 Performance of its work is governed by the professional practices framework/standards of the
12 Institute of Internal Auditors, the global professional body responsible for standards and
13 certification internationally.

14

15 The department's work must be performed in compliance with the standards. To that end, the
16 methodology followed by the department in the conduct of its work includes planning the
17 engagement, risk assessment, identification of controls and their criticality, testing controls,
18 assessing test outcome, formal reporting, and follow up of remediation.

19

20 Recognition of the need to raise the functional performance of this group has been in place
21 for several years. In addition to the functional performance improvements, this group has
22 taken on the Internal Control Certification Program (ICCP, formerly known as Internal
23 Control Over Financial Reporting [or ICFR]) group, accountabilities and staffing.

24

25 In addition to the formal audit plan and certification plan described above, the department
26 manages approximately 45 audits a year that are specific to the company's Health, Safety,
27 Environment Management System, with the review cycle mandated by the conditions
28 required to maintain the company's ISO 18001 certification.

29

30 The department also conducts or participates in ethics-related audits/investigating as needed.
31 These investigations may be in internally-triggered from a result of hotline reports.

32

33 Ensuring we are running a sound and safe business benefits all Distribution customers.

- 1 b) This increase in focus relates to Hydro One’s overall business as opposed to any change in
- 2 ownership.
- 3
- 4 c) This increased cost level is expected to be sustained over the long term.
- 5
- 6 d) The table below shows annual external consulting contracts.
- 7

Audit	2018	2019	2020	2021	2022
Contracts	920,000	920,000	920,000	920,000	920,000
Consultants	295,000	295,000	295,000	295,000	295,000
Other Contract Services	625,000	625,000	625,000	625,000	625,000

8

1 **OEB Staff Interrogatory # 183**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-01
10

11 **Interrogatory:**

12 Please update the OM&A schedules for 2017 actuals and for any other changes that may have
13 taken place since the application was filed. Please highlight and explain any significant changes
14 to the evidence.
15

16 **Response:**

17 Please refer to Exhibit Q1, Tab 1, Schedule 1. Final actuals for 2017 are not yet available. They
18 will be provided when they are completed.

1 **OEB Staff Interrogatory # 184**
2

3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 Q-01-01 Page: 5-6 Evidence Update, 2017-12-21
10

11 **Interrogatory:**

12 Hydro One includes Table 3 on page 5 with revised OM&A totals on page 6. The December 8,
13 2017 Business Plan is also included with similar tables for OM&A.
14

15 Please explain the differences in the 2018 OM&A numbers on page 6 with the OM&A numbers
16 for 2018 on page 16 in the December 8, 2017 Business Plan.
17

18 **Response:**

19 The \$579.6 million OM&A filed on Table 3 of page 5 and page 6 in Exhibit Q is lower than the
20 \$583 million included on page 16 of the Business Plan due to the reduction for OPEB expenses
21 filed in Exhibit Q that was not available at the time the Business Plan was developed (as
22 described on page 22 of the Business Plan) and OM&A associated with green energy that is not
23 included in the calculation of the distribution revenue requirement.

OEB Staff Interrogatory # 185

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 3

Interrogatory:

Table 1 shows that in almost all categories and all years from 2015 to 2017, Hydro One has consistently underspent approved amounts under Sustaining OM&A.

- a) Why was Hydro One not able to meet planned or budgeted amounts, approved by the OEB?
- b) What sacrifices were made by Hydro One in terms of reliability or customer service as a result of this underspending?

Response:

- a) The explanation for the variance in OM&A actual spending to OEB-approved is described in Exhibit C1, Tab 1, Schedule 2, page 4, lines 9 to 19.
- b) As part of Hydro One's redirection process (as documented in Exhibit B1, Tab 1, Schedule 1, DSP Section 2.1.6.4), reliability and customer service are considered in the context of overall business needs when determining which investments should be prioritized. The underspending in sustaining OM&A was as a result of increased costs in the area of customer service and hence no customer service sacrifices were made, however, a minor deterioration in reliability was observed.

OEB Staff Interrogatory # 186

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 3-4

Interrogatory:

Hydro One indicates that increased spending in 2018 is due to increases of \$7 million to address a vegetation management backlog and reliability concerns and further increases of \$12 million in lines demand work to address trouble calls to address customer expectations.

How does Hydro One reconcile these increases in spending, when it appears that these areas have suffered from an underspending in previous years, below OEB approved levels, and now increases are proposed?

Response:

As discussed on page 6 in Exhibit C1, Tab 1, Schedule 1, vegetation management funds were redirected in previous years. As a result, the vegetation management program underspent and under accomplished the targets presented in EB-2013-0416. To address the expanded maintenance backlog stemming from the underspending, an increase in spending is required. However these increases in spending were moderated by the improvements in the vegetation management program implemented in 2016 and now with the new strategy outlined in Exhibit Q, Tab 1, Schedule 1.

Lines demand work is a reactive work program that fluctuates based on the volume of requests. Historical spending has matched demand and this area has not been underspent.

1 **OEB Staff Interrogatory # 187**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-02 Page: 6
10

11 **Interrogatory:**

12 Table 2 shows that under the Planned Preventative Station Maintenance category, in all years
13 from 2015 to 2017, Hydro One has consistently underspent OEB approved funding levels.
14

- 15 a) What are the major reasons that spending was curtailed from planned levels?
16
17 b) Did Hydro One consider the impact on reliability and that more spending would be required
18 in future years to address station maintenance issues?
19

20 **Response:**

- 21 a) For the Planned Preventive Station Maintenance program, Hydro One distribution made a
22 decision to change the preventive maintenance strategy on power equipment from primarily
23 time based to a combination of time-based and condition-based. The change in strategy has
24 resulted in a reduction in expenditures.
25
26 b) Yes, the reliability impacts were considered, and this change is not expected to have a
27 material impact on reliability. This preventative maintenance strategy is not expected to
28 increase future year expenditures.

OEB Staff Interrogatory # 188

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 14

Interrogatory:

Table 3 shows that there is underspending for Line Maintenance consistently from 2015 to 2017.

- a) What are the major reasons that spending was curtailed from planned levels?
- b) Did Hydro One consider the impact on reliability and that more spending would be required in future years to address line maintenance issues?
- c) In the same table, Trouble Calls spending is higher than approved levels in all years and 2018 shows a 15% increase from 2017 approved levels. Please comment on the extent the Trouble Calls spending is driven by the underspending in Line Maintenance in previous years.

Response:

- a) A 2015 review of the Line Regulator and Recloser Maintenance program led to a shift from maintenance to capital refurbishments, resulting in a \$3.5 million maintenance underspend relative to previously approved amounts for Line Maintenance in each year from 2015 to 2017. Additionally, the overall sustainment OM&A (including Line Maintenance) was strategically reduced as discussed on page 5 in Exhibit C1, Tab 1, Schedule 1.
- b) Yes.
- c) The Trouble Call program is forecasted based on historic spending. The increases in trouble spending forecasts are not directly attributable to the decrease in Line Maintenance spending. However, the Lines Maintenance funding could be impacted by the redirection process as outlined in Exhibit B1, Tab 1, Schedule 1, DSP Section 2.1.6.4.

OEB Staff Interrogatory # 189

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 15

Interrogatory:

Hydro One's evidence shows that proposed spending for the 2018 test year is based on an expected volume of trouble calls of 42,645 per year.

- a) Please provide a table showing the number of trouble calls per year from 2012 to 2017.
- b) Please comment on the trend of the cost per trouble call per year.

Response:

- a) Please see table below for the volumes of trouble calls received per year from 2012 to 2017.

2012	2013	2014	2015	2016	2017
44,051	43,038	42,643	43,972	43,939	40,147

- b) There is no significant trend of the cost per trouble call per year.

OEB Staff Interrogatory # 190

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 16

Interrogatory:

With regard to Disconnects/Reconnects, Hydro One’s evidence shows that proposed spending for the 2018 test year is based on an expected volume of 14,250 Disconnect/Reconnect calls per year.

- a) Please provide a table showing the number of Disconnect/Reconnect calls per year from 2012 to 2017.
- b) Please comment on the trend of the cost per Disconnect/Reconnect per year.
- c) Hydro One also indicates on page 17 that the numbers of service Disconnect/Reconnect requests have increased over the past several years. Has Hydro One determined why this is the case?

Response:

a) Please see table below for the number of Disconnect/Reconnect received per year (for isolating customer owned assets from the distribution system) from 2012 to 2017.

2012	2013	2014	2015	2016	2017
13,398	14,358	15,836	14,553	15,257	15,249

- b) The trend of the cost per Disconnect/Reconnect (for isolating customer owned assets from the distribution system) has increased over the 2012 to 2017 period.
- c) No, it is not clear why the number of service Disconnect/Reconnect requests (for isolating customer owned assets from the distribution system) have increased over the past several years. It could be due to better customer safety awareness.

OEB Staff Interrogatory # 191

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 18

Interrogatory:

Under Maintenance, Hydro One states that proposed spending for the 2018 test year is based on an expected volume of 9,210 defect corrections per year.

- a) Please provide a table showing the number of defect corrections per year from 2012 to 2017.
- b) Please comment on the trend of the cost per defect correction per year.
- c) Hydro One also indicates on page 19 that it expects an increase in the level of defect corrections. Has Hydro One determined why defect corrections are on the rise?

Response:

- a) Please see table below for the number of defect corrections per year from 2012 to 2017.

2012	2013	2014	2015	2016	2017
7,859	8,548	5,354	9,286	16,095	7,050

- b) The defect correction unit price has been decreasing between 2012 and 2017 at an average rate of \$32 per year.
- c) The level of defect corrections is increasing in order to address a number of already identified defects in the system. Hydro One does not anticipate an increase in the number of defects identified per year over the five year plan.

OEB Staff Interrogatory # 192

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 20

Interrogatory:

Table 3 shows that there is consistent underspending (from approved levels) for PCB Equipment and Waste Storage from 2015 to 2017.

- a) What are the major reasons that spending was curtailed from planned levels?
- b) Did Hydro One consider the environmental impact of this lower than planned spending?
- c) If so, what was the rationale for the reduced spending?
- d) Hydro One also states, on page 20 that proposed spending for the 2018 test year is based on an expected volume of 27,595 PCB Inspections and Testing per year. Please provide a table showing the number of PCB Inspections and Testing per year from 2012 to 2017.
- e) Please comment on the trend of the cost per Inspection/Test per year.

Response:

- a) Spending was redirected to higher priority investments.
- b) Investments that could cause an environmental impact remained funded.
- c) Reduced spending was a result of fewer PCB Inspections and Testing being completed.
- d) Please see table below for the number of oil-filled distribution line equipment that received PCB Inspections and Testing from 2014 to 2017. The program did not exist in 2012 and 2013.

1

	2014	2015	2016	2017
PCB Inspections	2,113	13,156	24,558	9,157
PCB Testing	599	1,131	2,831	10,571
Total	2,712	14,287	27,389	19,728

2

3

e) The trend of the cost per Inspection/Test per year has increased over the 2014 to 2017 period.

1 **OEB Staff Interrogatory # 193**
2

3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-02 Page: 23
10

11 **Interrogatory:**

12 Table 4 shows that Telecom, Monitoring and Control spending jumps by 68% in 2017 and
13 continues at that level in 2018 (\$6.4 million).
14

15 What was the cause for this increase in spending and why has Hydro One proposed to continue
16 spending at this level in the 2018 test year?
17

18 **Response:**

19 The increased telecommunication costs is mainly a result of new smart meter telecom support
20 costs and reallocation of distribution leased circuits that were previously accounted for under
21 transmission programs. These will be ongoing costs.

OEB Staff Interrogatory # 194

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 29

Interrogatory:

Table 5 again shows that Vegetation Management spending in each of the 2015, 2016 and 2017 years is below OEB approved levels. Yet, Hydro One's evidence refers to a backlog of maintenance.

- a) If Hydro One was aware of backlogs in vegetation management, why did it not at least spend to the approved levels?
- b) To what extent is the demonstrated underspending on Vegetation Management contributing to the increase in 2018 levels of Demand Vegetation Management to \$10.2 million well above the OEB approved levels of \$6.8 million and \$6.9 million for 2016 and 2017 respectively?
- c) Please provide a table showing the km of Line Cleared and km of Line Brush Control (as in past applications) per year from 2012 to 2017.
- d) Please comment on the trend of the cost per km of Line Cleared and km of Line Brush Control and also indicate how its three changes for the Vegetation Management program as noted on page 28, will contribute to lower costs in 2018 and beyond.

Response:

- a) Please refer to interrogatory response Exhibit I-38-Staff-186 for an explanation of program underspending.
- b) Demand maintenance is driven by poor vegetation conditions created partly by backlogged maintenance. However, increases in demand maintenance are being magnified by a change in approach focused on improving customer relationship, and emergent forest health issues like

Witness: GARZOUZI Lyla

1 the emerald ash borer, beech bark disease and spruce budworm outbreaks which are having
2 regional impacts on our system.

3
4 c) Please refer to table below for the Line Cleared and Line Brush Control kilometers for the
5 period 2012 to 2016.

6

Program	2012	2013	2014	2015	2016
Brush Control	11,557 km	10,448 km	6,177 km	3,497 km	14,031 km
Line Clearing	11,195 km	10,378 km	9,474 km	10,366 km	11,753 km

7
8 As described in Table 5 of Exhibit C1 Tab 1 Schedule 2, the line clearing and brush control
9 programs were synchronized and amalgamated in 2017 and a result 14,382 km of complete
10 vegetation management was accomplished between the tactical maintenance and cycle
11 clearing programs.

12
13 d) Brush control and line clearing unit costs peaked in 2014. As of the end of 2016 the unit
14 costs have fallen below the 2012 unit prices, indicating an improving trend.

15
16 The filed program changes in Exhibit C1, Tab 1, Schedule 2 have been superseded by the
17 defect based three year cycle strategy outlined in Exhibit Q, Tab 1, Schedule 1. As outlined
18 in interrogatory response Exhibit I-25-Staff-138, the new strategy is expected to significantly
19 reduce unit prices in 2018, allowing for increased system coverage and reliability/safety risk
20 mitigation while maintaining the same budget envelope.

OEB Staff Interrogatory # 195

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-02 Page: 30
Evidence Update, 2017-12-21, Exhibit Q/Tab1/ Schedule 1/pp 13-15

Interrogatory:

At this reference, Hydro One states that it will now clear lines at an “optimal cycle length which is between four and eight years”, based on the vegetation benchmarking study. Yet in its December 21, 2017 Update (Exhibit Q), Hydro One changes its objective to pursue a 3 year cycle.

- a) How can Hydro One make such a radical change to its vegetation management program in such a short space of time?
- b) Under the new program, how will Hydro One keep vegetation management spending at currently planned levels while moving from a 4 to 8 year cycle to a 3 year cycle?
- c) Please define the term ‘defect’. How does a ‘defect based approach’ differ from previous practice? Please provide specific examples.
- d) On what basis does Hydro One say that its vegetation management costs will decrease? Has this increase in efficiency been included in productivity claims?

Response:

- a) Hydro One prepared for the strategy change by first piloting the new approach in late 2017. Results from the pilot showed that by applying a defect based approach, and focussing on high criticality defects, Hydro One was able to reduce unit prices per kilometer and increase the ability to mitigate risk across the system within the same budget. With the pilot results and assistance provided by Clear Path Utility Solutions Hydro One is confident in its ability to successfully implement this defect based approach like many other peer utilities.

- 1 b) Current levels of spending will be maintained by implementing the defect based approach
2 outlined in Exhibit Q, Tab 1, Schedule 1.
3
- 4 c) A defect can be defined as vegetation that poses a public safety or reliability threat because it
5 is either (a) growing into or will grow into energized equipment within the three-year
6 maintenance cycle, and/or (b) dead/dying vegetation that will likely cause a system
7 interruption and/or equipment damage within the maintenance cycle. Please refer to Section
8 2.1 in Exhibit Q, Tab 1, Schedule 1 for details on the defect based approach and changes to
9 the vegetation management strategy.
10
- 11 d) As described in interrogatory response Exhibit I-25-Staff-144, cost per kilometer is expected
12 to decrease in the second cycle due to the elimination of the maintenance backlog. However,
13 the total vegetation management program is expected to maintain the same budget due to
14 anticipated increase in spend on Public Safety and Reliability. As a result, there has not been
15 any additional productivity claims included.

1 **OEB Staff Interrogatory # 196**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-03 Page: 1
10

11 **Interrogatory:**

12 Table 1, the Summary Table, again shows that Hydro One has consistently underspent its OEB-
13 approved OM&A budgets on Development from 2015 to 2017.
14

15 Has Hydro One considered the impact on reliability and customer satisfaction that this lower
16 than approved development spending (across all budget categories) will have?
17

18 **Response:**

19 Hydro One does not anticipate any meaningful impact to reliability or customer satisfaction.
20 Please see Exhibit C1, Tab 1, Schedule 3, pages 2 to 4 under the heading “Variance Explanation
21 for Development OM&A” for further information.

OEB Staff Interrogatory # 197

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-04 Page: 1

Interrogatory:

Table 1 shows a summary of Operations OM&A, highlighting the 4 categories of spending. In three categories, Operations Support, Environment Health and Safety and Smart Grid, spending is significantly below OEB-approved levels.

Has Hydro One considered the impact on reliability, customer satisfaction and Health and Safety that this lower than approved operations spending will have?

Response:

Table 1 has been reproduced to quantify the actual spending levels compared to the OEB-approved levels below, limited to the three categories of spending referenced in this question. The difference between the actual spending and the OEB-approved levels is quantified in the “Delta” columns.

Description	Delta Calculations (Actual, Approved)											
	Historic				Bridge		Historic			Bridge		
	2015		2016		2017		Total			2017		
	Actual	Approved	Actual	Approved	Forecast	Approved	Actual	Approved	Delta	Forecast	Approved	Delta
Operations Support	4.4	5.4	4.8	5.4	4.9	5.5	9.2	10.8	-1.6	4.9	5.5	-0.6
Environment, Health and Safety	1.5	2.7	1.6	2.8	2	2.6	3.1	5.5	-2.4	2	2.6	-0.6
Smart Grid*	3.5	11	5.6	14.1	8.2	12.4	9.1	25.1	-16	8.2	12.4	-4.2
Total*	9.4	19.1	12	22.3	15.1	20.5	21.4	41.4	-20	15.1	20.5	-5.4

As quantified in the table in this Response, the overall spending below the OEB-approved levels is largely due to the Smart Grid program being deferred, resulting in the associated OM&A being deferred. Expected impacts on reliability, customer satisfaction and Health and Safety cannot be realized in this sustainment investment, unless the capital project is completed.

- 1 Operations Support and Health and Safety expenditures are below OEB-approved amounts due
- 2 to the realization of operational efficiencies. Hydro One considers these reductions sustainable
- 3 and has planned for expenditures during the test year to continue below the historical OEB-
- 4 approved levels, as the same outcomes can be achieved with the adjusted forecasted amounts.

OEB Staff Interrogatory # 198

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-04 Page: 4

Interrogatory:

At this reference, under the Smart Grid category, Hydro One indicates that it delayed the rollout of the Distribution Management System upgrade which will now be completed in 2018.

- a) What was the cost of delaying the Distribution Management System upgrade and what were the expected benefits for Hydro One?
- b) Is the implementation delay responsible for the 40% increase in costs for 2018?
- c) To what extent is the 2018 budget a one-time cost of implementation?

Response:

- a) There were no material costs to delaying. The expected benefits were:
 - i. To move to the next version of the Distribution Management System (“DMS”), which included distributed energy resource management functionality, allowing the ability to monitor and control distributed generation, storage and microgrids. This functionality is part of Hydro One’s long term vision towards a modernized distribution system.
 - ii. To provide a more robust mobile application for mobile field resources.
- b) This is not an increase in sustainment cost but a delay in when those costs materialized.
- c) All costs are ongoing, with the exception of a \$600,000 expenditure towards control room re-layout in 2018.

OEB Staff Interrogatory # 199

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-05 Page: 3

Interrogatory:

At this reference, under Call Centre Operations, Hydro One indicates that the call center handled over 2.7 million calls from customers and responded to over 63,000 emails.

- a) Please provide a table showing these statistics per year from 2012 to 2017.
- b) Please comment on the trend of the cost per customer call response per year.

Response:

- a) The volume of emails and calls from 2012 to 2017 are provided below:

Year	Volume of emails	Volume of Calls
2012	41,000	2.4M
2013	47,000	3.8M
2014	48,000	2.7M
2015	62,000	2.6M
2016	78,000	2.8M
2017	79,000	2.5M

- b) Hydro One's contact centre operations were outsourced to a third party vendor during the period noted above. The contract with the third party vendor included a number of services including, contact centre, billing, collections, and distributed generation. The costs for all of these services were bundled together, as outlined in Exhibit C1, Tab 1, Schedule 5. As such, the cost per call ranges from \$10 to \$30.

OEB Staff Interrogatory # 200

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-05 Page: 4-5

Interrogatory:

Under Meter Reading, Hydro One indicates that approximately 150,000 meters require a manual meter read due to the limited geographical reach of the Smart Meter Network infrastructure.

- a) To what extent is Hydro One striving to reduce the number of meters that require manual meter reading?
- b) What are the targets to reduce manual reading over the course of the IRM period?
- c) Hydro One also indicates that as a result of amendments to the DSC, requiring distributors to install an interval meter in any installation that is forecast to have a monthly average peak demand during a calendar year of over 50 kW, spending will be higher in 2017 and 2018. How many additional meters will have to be installed as a result of these amendments?

Response:

- a) Hydro One's Advanced Metering Infrastructure (AMI) communication network is reliant on commercial cellular carriers to provide the communication backhaul for remote meter reading. The team is closely monitoring cellular service provider's network expansion in the Hydro One's service territory. Once network expansion occurs, Hydro One follows suit in expanding AMI capabilities.
- b) Based on recent historical trends, it is anticipated that approximately 5,000 meters will no longer required manual meter reads over the IRM period.
- c) The requirement will result in the installation of approximately 6,000 interval meters and an enhancement to the local Advanced Metering Infrastructure (AMI) network to ensure remote interval meter reading reliability standards are met.

OEB Staff Interrogatory # 201

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-05 Page: 5

Interrogatory:

Hydro One mentions that a new e-billing solution was launched at the end of 2016 to reduce postage and other costs.

- a) How is this new e-billing solution a better option for the customer than previous practice?
- b) What are the expected savings to be had from this solution?
- c) What is the status of the roll-out of this e-billing solution at the end of 2017?
- d) Have Hydro One's expectations for this new e-billing solution been met? Why or why not?
- e) Why does this new e-billing solution not result in lower costs, mitigating the increase in 2018 costs, currently set at \$14.6 million?

Response:

- a) Hydro One's original e-billing solution was offered through Canada Post's e-Post service. The e-Post solution has a number of limitations, including the ongoing operational cost and the limited number of Hydro One customers who were registered with the service. Hydro One's new e-billing solution is available to any customer who has a valid email address. The new solution also provides a number of customer service improvements, such as an e-mail notification, if a customer's bill is ready and includes options to sign up for additional features such as payment due-date reminders, payment over-due reminders, and high usage alerts.

- 1 b) 545,000 customers are expected to sign up for e-billing by 2022, resulting in \$17 million of
2 OM&A savings from 2017 to 2022 through reduced postage costs. The 2018 OM&A
3 forecast reflects this savings assumption. (See Exhibit C1, Tab 1, Schedule 5.)
4
- 5 c) The solution was fully operational December 2016. Hydro One is actively promoting the
6 service to customers.
7
- 8 d) Customer interest and satisfaction with the solution meet Hydro One expectations. As of
9 December 31, 2017, over 110,000 customers have enrolled in the new e-billing solution.
10
- 11 e) The expected savings from the e-billing rollout have been incorporated in the 2018 OM&A
12 forecast. (See Exhibit C1, Tab 1, Schedule 5.) Unfortunately, even with the enrolment of
13 110,000 customers in the e-billing solution, costs are increasing in the test year due to natural
14 customer growth and increases in postage rates. Also, Hydro One's new collections program
15 has resulted in an increase in the collections correspondence mailed to customers which help
16 customers stay current with their bills.

OEB Staff Interrogatory # 202

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-05 Page: 8-9

Interrogatory:

Hydro One mentions that it suspended its collections program from 2013 to early 2016 related to the implementation of CIS.

- a) Please provide further information as to why the collections program was suspended and how the suspension related to the new CIS system.
- b) On page 9, Hydro One indicates that it is committed to reducing Net Bad Debt as a percentage of revenue from 2017 to 2022. What are Hydro One's targets in this regard and, if targets are met, what are the expected cost reductions Hydro One expects to achieve?
- c) In this light, why are Net Bad Debt costs for 2018 set at the \$21.1 million level, a 46% increase over OEB approved levels in 2017?

Response:

- a) In May 2013, Hydro One introduced a new Customer Information System (CIS). There were a number of issues shortly after implementation, which resulted in some customers not receiving their bills in a timely manner or some customers receiving bills based on estimated usage. Since Hydro One was unable to send customers timely and accurate bills, it was decided that the best course of action was to suspend the collections program.
- b) As Hydro One's customer base continues to grow through the planning period, the company anticipates an associated increase in revenue. Increasing revenues over the term of the Custom IR will result in increased Net Bad Debt expenditure from 2017 to 2022. Despite increasing revenues, Hydro One is committed to reducing Net Bad Debt as a percentage of revenue, from a forecast of 0.42% in 2017 to 0.36% in 2022. Additional impacts of the Fair Hydro Plan can be found in Exhibit I-33-Staff-179.

- 1 c) The previously approved Net Bad Debt levels were much lower than actuals, resulting in the
- 2 46% variance. Hydro One's 2018 Net Bad Debt costs were set using historical performance
- 3 as a baseline, which was then adjusted for an increase in invoiced revenue.

OEB Staff Interrogatory # 203

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-05 Page: 13

Interrogatory:

Table 11 shows a number of Operational Effectiveness Outcomes with some cost savings estimates for each area.

- a) Under My Account Self-Service, there are no targets cited for increasing the uptake of this service. Please provide the current level of uptake; Hydro One's targets for the 2018 – 2022 period; and the projected cost savings as more customers move to self-service.
- b) Under e-billing, Hydro One indicates that 545,000 customers are expect to sign up by 2022 and that this will result in \$17 million in OM&A savings due to reduced postage costs. What is the current uptake of e-billing? Are the projected savings reflected in the 2018 OM&A forecast?
- c) Under Remote Disconnect, Hydro One indicates that Field Support OM&A expenditure will decline by \$3 million annually. How are these projected savings reflected in the 2018 OM&A forecast?

Response:

- a) In 2017, Hydro One launched a new mobile-friendly website which processed more than 192,000 customer transactions. Hydro One anticipates this number to grow to 500,000 in 2019. In most cases, enhancing web-self-service capabilities results in customers performing more transactions than before (i.e. signing up for proactive outage notifications) and shifting customers from other channels (i.e. primarily through a reduction in calls to the contact centre). At this point, less than 10% of Hydro One's customer base visits the My Account self-service portal on a monthly basis. Please see section 1.5 of the DSP for Customer Service productivity savings targets.

- 1 b) Please refer to interrogatory response Exhibit I-38-Staff-201.
2
3 c) These projected OM&A savings are incorporated in the cost forecast for “Field Support” in
4 Exhibit C1, Tab 1, Schedule 5 (see page 6). The 2018 test year represents a reduction of \$1.9
5 million from the 2017 forecast. Note that ‘Field Support’ costs fund Customer Care field
6 activities, including disconnection of electricity due to non-payment, reconnection when
7 payment is received, investigation of high bill inquiries, and other services that require an on-
8 site field visit.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 37**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 Q-01-01 Page: 3

10 Q-01-01-01
11

12 **Interrogatory:**

13 a) Please explain the difference in Table 1of the OM&A costs for 2018 (579.6M) and those in
14 the updated business plan for the same year (583M)
15

16 **Response:**

17 a) Please refer to Exhibit I-38-Staff-184.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 38**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 Q-01-01 Page: 8
10

11 **Interrogatory:**

- 12 a) Please explain the scope refinements to the Integrated Operating Center investment that
13 caused the \$4.2 million increase in costs.
14
15 b) When was this scope change made?
16

17 **Response:**

- 18 a) The cost increase was not due to change in scope. Previous mention of “scope refinement”
19 had been an error. The cost increase was as a result of a more accurate cost estimate as the
20 engineering designs had been finalized.
21
22 b) Please see response in (a).

1 **Vulnerable Energy Consumers Coalition Interrogatory # 39**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 Q-01-01 Page: 14
10 Attachment 1, DBP page 13 ;
11 Exhibit C1, Tab1, Schedule 2, page 3
12

13 **Interrogatory:**

- 14 a) Please provide the reporting metrics for the Quality Assurance and Quality Control Program
15 for vegetation management.
16
17 b) How will these metrics be used to measure success of the program and improve its
18 effectiveness over time?
19
20 c) How is this program expected to impact to the costs of vegetation management in 2018 to
21 2022? Have these changes been imputed into the most recent forecast costs of OM&A?
22

23 **Response:**

- 24 a) The Quality Assurance and Quality Control program's primary measure for success will be
25 the number of defects assessed.
26
27 b) Defect assessment results will be used to identify the need for follow-up work, additional
28 employee training, and/or changes in more systemic elements like the work specifications,
29 work practices or training material.
30
31 c) The Quality Assurance and Quality Control program is expected to cost approximately \$5
32 million annually and the budget is included in the forecast costs for the vegetation
33 management program.

Vulnerable Energy Consumers Coalition Interrogatory # 40

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

Q-01-01-01 Page: 17-18

Interrogatory:

- a) At the above reference Hydro One lists a number of drivers for savings as part of the new business plan. For each of the drivers (listed under the headings “Operations/Operations-Procurement/Customer/Information Technology/People and Culture) please provide the projected savings in 2018 through 2023.
- b) Please confirm (or not) that the savings identified in response to a) have been included in the updated 2018 OM&A or capital costs of this Application.

Response:

- a) Please refer to Exhibit I-25-Staff -123.
- b) The savings referenced in response a) have been embedded into the underlying business plan that supports this application.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 41**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 Q-01-01-01 Page: 20
10

11 **Interrogatory:**

12 a) Please update the Scorecard to show 2017 actual results.
13

14 **Response:**

15 a) Please refer to Exhibit I-18-SEC-029.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 42**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-02-01-07 Page: 5
10 C1-02-01-06 (filed 2017-10-11)
11

12 **Interrogatory:**

- 13 a) Please confirm that the Table 1 of Attachment 6 market “Unrepresented” is the same group
14 as that marked as “MCP” in Attachment 7
15
16 b) Please confirm that Attachment 6 (all tables) where only on Headcount figure is shown this
17 represents “FTEs”.
18

19 **Response:**

- 20 a) Confirmed.
21
22 b) Confirmed.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 43**
2

3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 C1-01-01 Table 1
10

11 **Interrogatory:**

12 a) Please update Table 1 for 2017 actual (unaudited) results.
13

14 **Response:**

15 a) 2017 actuals will be provided once available.

Vulnerable Energy Consumers Coalition Interrogatory # 44

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-01 Page: 8
C1-01-05 Page: 8-9

Interrogatory:

- a) What were the actual customer care costs in 2017?
- b) Please explain how the bad debt provision forecast for 2018 was calculated.
- c) Hydro One states that it expects to “return closer to historical norms”. What is the historical norm or target bad debt provision expected by the end of the rate period (2022).
- d) Please explain what DSC changes related to interval meters and monthly billing are driving increases to customer care. What are the incremental costs in 2018 related to these factors?

Response:

- a) Audited 2017 actuals are unavailable at the time of writing this response. Hydro One will provide audited 2017 actuals after they become available.
- b) Hydro One’s bad debt provision rates reflect the company’s best estimate of overdue accounts receivable balances and amounts that will be uncollectable or written off in the future. This is based on the aging of accounts receivables, the probability of default, and historical trends. The 2018 forecast was derived based on the 2018 revenue forecast and historical Net Bad Debt.
- c) In 2012, prior to the implementation of Hydro One’s new Customer Information System, and the subsequent variations in Net Bad Debt, Hydro One’s Net Bad Debt as a percentage of revenue was 0.54%. In 2018, Hydro One’s Net Bad Debt as a percentage of revenue is projected to decline to 0.41%.

- 1 d) As per Exhibit C1, Tab 1, Schedule 5 (Customer Care OM&A), expenditures in 2017 and
2 2018 are forecast to be higher than OEB-approved historical levels as a result of Distribution
3 System Code amendments relating to interval meters and monthly billing (EB-2013-0311,
4 EB-2014-0198), requiring distributors to install an interval meter on any installation that is
5 forecast to have a monthly average peak demand during a calendar year of over 50 kW and to
6 comply with mandatory requirements for monthly billing, billing accuracy and estimated
7 billing requirements. As a result, meter reading costs are expected to increase by
8 approximately \$1 million.

1 ***Vulnerable Energy Consumers Coalition Interrogatory # 45***

2
3 ***Issue:***

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?

7
8 ***Reference:***

9 C1-01-02 Page: 27

10
11 ***Interrogatory:***

12 a) With respect to Telecom, Monitoring and Control costs drivers please explain what is meant
13 by cost increases due to “the allocation of smart meter telecom supports costs and the
14 modernization of the distribution network”. Specifically what costs are being allocated and
15 from what to where?

16
17 ***Response:***

18 a) The smart meter telecom support costs include:

- 19 • Managing 3rd party telecom agreements,
20 • Management of 3rd party telecom billing/out order,
21 • Network management services such as SNMP, web management tools etc.,
22 • Network design for new geographic areas, and
23 • Expertise on strategic and technical issues as it relates to the current advanced meter
24 infrastructure network.

25
26 Cost for these services were earlier borne through the Smart Meter project. However with the
27 completion of the Smart Meter project; these ongoing costs were then identified and moved
28 to the Telecom, Monitoring & Control OM&A program.

Vulnerable Energy Consumers Coalition Interrogatory # 46

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-07 Page: 2-6

Interrogatory:

1. Please update Table 1, 2 & 3 (Common Corporate Functions) for the December 31, 2017 update to executive compensation.
2. Please do the same for Table 4 and 6.

Response:

1. Table 1 does not change as a result of the update to the executive compensation. The compensation total amount will not change, only the portion allocated to Distribution customers will be reduced by \$3.2 million. Of this reduction, \$1.3 million is related to the LTIP reduction described in Exhibit C1, Tab 2, Schedule 1, Attachment 7, page 9, which decreases ‘Other OM&A – other costs’ (page 31 of Exhibit C1, Tab 1, Schedule 7).

[no change] Table 1: Summary of Total Common Corporate Functions and Services OM&A (\$ Millions)

Description	Historic			Bridge	Test
	2014 IRM	2015	2016	2017	2018
	Actual	Actual	Actual	Forecast	Forecast
Corporate Management	9.2	16.4	16.1	23.4	23.3
Finance	40.0	39.1	38.1	41.8	40.4
People and Culture	12.8	13.6	15.6	16.4	16.2
Corporate Relations	19.5	17.3	15.2	15.8	17.5
General Counsel and Secretariat	8.7	8.6	10.1	10.0	10.1
Regulatory Affairs	23.0	24.1	23.3	22.6	22.9
Security Management	3.5	4.2	4.6	4.4	4.5
Internal Audit	3.6	4.2	4.9	6.8	6.9
Real Estate and Facilities	53.6	60.0	58.6	58.7	59.5
Total CCF&S Costs	173.9	187.5	186.6	200.0	201.3

Witness: JODOIN Joel

1 **Updated Table 2: Summary of Common Corporate Functions and Services OM&A**
 2 **Allocated to Distribution (\$ Millions)**

Description	Historic					Bridge		Test
	2014 IRM	2015		2016		2017		2018
	Actual	Actual	Approved	Actual	Approved	Forecast	Approved	Forecast
Corporate Management	2.4	2.4	2.4	4.3	2.4	5.6	2.4	3.8
Finance	16.4	16.2	18.0	16.6	17.6	16.9	17.3	16.3
People and Culture	5.8	6.8	5.7	7.3	5.4	7.8	5.4	7.7
Corporate Relations	10.5	9.6	6.6	7.6	6.6	7.6	6.6	8.3
General Counsel and Secretariat	3.8	3.6	4.1	4.5	4.1	4.2	4.2	4.3
Regulatory Affairs	13.0	13.6	12.0	14.0	12.4	12.8	12.1	13.0
Security Management	1.9	2.2	2.5	2.5	2.4	2.3	2.4	2.4
Internal Audit	1.2	1.6	1.1	2.2	1.1	3.1	1.1	3.1
Real Estate and Facilities	21.8	24.5	24.8	26.9	24.7	26.9	25.2	27.3
Total CCF&S Costs	76.8	80.5	77.3	85.8	76.8	87.2	76.7	86.1

3

Updated Table 3: Summary of Corporate Common Costs (\$ Millions)

Description	Cost Type	Total Costs		Distribution Portion	
		2017	2018	2017	2018
		Forecast	Forecast	Forecast	Forecast
Corporate Management	Labour	16.0	16.3	4.1	3.2
Corporate Management	Non-Labour	7.4	7.0	1.5	0.6
Corporate Management	Total	23.4	23.3	5.6	3.8
Finance	Labour	23.9	22.7	9.6	9.1
Finance	Non-Labour	6.6	6.0	2.6	2.4
Finance	Inergi	11.4	11.6	4.6	4.7
Finance	Total	41.8	40.4	16.9	16.3
People and Culture	Labour	13.1	13.4	6.2	6.4
People and Culture	Non-Labour	3.3	2.8	1.6	1.3
People and Culture	Total	16.4	16.2	7.8	7.7
Corporate Relations	Labour	10.5	10.6	5.1	5.1
Corporate Relations	Non-Labour	5.4	6.9	2.6	3.3
Corporate Relations	Total	15.8	17.5	7.6	8.3
General Counsel and Secretariat	Labour	5.7	5.8	2.4	2.5
General Counsel and Secretariat	Non-Labour	4.3	4.3	1.8	1.8
General Counsel and Secretariat	Total	10.0	10.1	4.2	4.3
Regulatory Affairs	Labour	8.9	9.0	4.2	4.2
Regulatory Affairs	Non-Labour	2.0	1.6	0.9	0.7
Regulatory Affairs	OEB / Other Costs	11.7	12.3	7.7	8.0
Regulatory Affairs	Total	22.6	22.9	12.8	13.0
Security Management	Labour	4.1	4.2	2.1	2.2
Security Management	Non-Labour	0.4	0.4	0.2	0.2
Security Management	Total	4.4	4.5	2.3	2.4
Internal Audit	Labour	5.7	5.8	2.6	2.6
Internal Audit	Non-Labour	1.0	1.0	0.5	0.5
Internal Audit	Total	6.8	6.9	3.1	3.1
Real Estate and Facilities	Labour	7.0	7.1	1.7	1.7
Real Estate and Facilities	Non-Labour	2.4	2.3	0.6	0.6
Real Estate and Facilities	Facility ¹	49.3	50.1	24.6	25.0
Real Estate and Facilities	Total	58.7	59.5	26.9	27.3
Total Corporate Common	Total CCC	200.0	201.3	87.2	86.1

¹The Facility line in Table 3 relates to work program costs that make up part of the CCFS costs as opposed to labour or non-labour costs.

1 2. Table 4 does not change as a result of the update to the executive compensation. The
 2 compensation total amount will not change, only the portion allocated to rate payers will be
 3 reduced by \$3.2M. Of this reduction, \$1.3 million is related to the LTIP reduction described
 4 in Exhibit C1, Tab 2, Schedule 1, Attachment 7, page 9, which decreases ‘Other OM&A –
 5 other costs’ (page 31 of Exhibit C1, Tab 1, Schedule 7).
 6

7 **[no change] Table 4: Summary of Total Corporate Management OM&A (\$ Millions)**

Description	Historic			Bridge	Test
	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Forecast	Forecast
President/CEO Office	2.3	5.8	2.6	2.4	2.4
Chair Office	0.3	0.3	0.3	0.3	0.3
Corporate Common LTD	-	-	-	1.1	1.2
Ombudsman Office	-	0.1	1.3	1.6	1.6
CFO Office	0.7	1.1	2.6	1.3	1.3
Investor Relations	-	0.6	0.3	1.0	1.0
EVP Strategy Office	-	-	0.8	6.1	6.2
Treasurer's Office	-	-	-	0.0	0.0
Board	1.6	3.7	3.2	3.5	3.5
Corp. Secretariat	0.3	0.3	0.3	0.4	0.4
General Counsel – VP	0.4	0.5	1.7	0.8	0.8
Donations	0.6	0.9	0.9	1.1	1.1
Value Growth	3.0	3.0	2.1	3.8	3.5
Total Corporate Management	9.2	16.4	16.1	23.4	23.3

8

Updated Table 6: Summary of Corporate Management OM&A Allocated to Distribution
 (\$ Millions)

Description	Historic			Bridge	Test
	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Forecast	Forecast
President/CEO Office	0.6	1.0	0.7	0.9	0.9
Chair Office	0.2	0.1	0.1	0.1	0.1
Corporate Common LTD	-	-	0.5	0.6	0.6
Ombudsman Office	-	0.0	0.4	1.3	1.3
CFO Office	0.4	0.2	0.9	0.5	0.6
Investor Relations	-	-	-	-	-
EVP Strategy Office	-	-	-	-	-
Treasurer's Office	-	-	-	-	-
Board	0.8	0.7	0.9	1.6	1.6
Corp. Secretariat	0.3	0.1	0.1	0.2	0.2
General Counsel – VP	-	0.2	0.8	0.3	0.3
Donations	-	-	-	-	-
Value Growth	-	-	-	-	-
Total Corporate Management	2.4	2.4	4.3	5.6	5.7
Compensation adjustments					(1.9)
Total Corporate Management	2.4	2.4	4.3	5.6	3.8

Vulnerable Energy Consumers Coalition Interrogatory # 47

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-01-07 Page: 21

Interrogatory:

a) Please provide both the total and allocated to distribution, OEB assessment costs for each year 2012 through 2018 (forecast).

Response:

Dx allocated and total OEB/Other costs category (\$ Millions)

	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Forecast
OEB/ Other Costs - Dx	6.4	6.5	6.1	7.7	8.0
OEB/ Other Costs - Total	14.7	13.7	12.2	11.7	12.3

Vulnerable Energy Consumers Coalition Interrogatory # 48

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-02-01 Table 1

Interrogatory:

- a) What is the reason for significant increase in Casual PWU Hiring Hall (HH) employees in 2018 and the subsequent decline in 2019 onward?
- b) For budgeting purpose what cost does Hydro One estimate for each Casual PWU HH (hiring hall) FTE?
- c) Please also provide the similar average FTE cost for Casual Construction.

Response:

- a) In 2018, there is a forecasted increase for hiring apprentices that will join the PWU (Hiring Hall). This levels off for 2019 and beyond.
- b) See the table below.

PWU HH / Casual Trades	2018	2019	2020	2021	2022
Full Year (FTE) Base Pay	\$ 65,584	\$ 66,240	\$ 66,903	\$ 67,572	\$ 68,247
Full Year (FTE) Compensation	\$ 81,587	\$ 82,614	\$ 83,437	\$ 84,251	\$ 85,090
Full Year (FTE) Cost Incl Burdens	\$ 87,022	\$ 88,179	\$ 89,092	\$ 90,027	\$ 91,104

- c) There is no material costing difference in the assumptions between PWU (Hiring Hall) and Casual Trade employees.

Vulnerable Energy Consumers Coalition Interrogatory # 49

Issue:

Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations, Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate, including consideration of factors considered in the Distribution System Plan?

Reference:

C1-02-01 Page: 26

Interrogatory:

a) What is the current value (liability) of the share grant (ESOP) in 2018 for each of the employee categories (MCP/Society/PWU).

Response:

a) Please see the table below for the current value of the 2018 share grants (separate from ESOP) to the PWU and Society.

Share Grant Plan	Share Grants to be issued on April 1, 2018	Value of Share Grants (Share Price \$20.50)
Power Works Union	358,614	\$ 7,351,587
The Society of Energy Professionals	129,757	\$ 2,660,019
Total	488,371	\$ 10,011,606

The PWU is not eligible for the Employee Share Ownership Plan. For MCP employees, in 2018, \$1.26 million is allocated to Hydro One Distribution OM&A for ESOP.

No 2018 ESOP figure is available for Society employees. Society employees were first eligible to participate in the ESOP program in September 2016. Employees could contribute up to 4% of their base earnings, and Hydro One would match 25%. There is a two-year holding period at which time Hydro One will make the required matching contribution. Since the first payroll deduction for Society represented ESOP contributions did not occur until October 20, 2016, by following the ESOP Plan rules, the required Hydro One contributions would not be made until early Q1 2019.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 50**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 Exhibit C1, Tab 1
10

11 **Interrogatory:**

- 12 a) If Hydro One is a member of the Electricity Distributors Association please provide the
13 annual fees for each year 2014 through 2018 (forecast).
14
15 b) Please provide a list of corporate memberships with material annual fees (above 25k) in the
16 2018 forecast.
17
18 c) Please provide the actual cost and forecast budget for the period 2014 through 2018 for
19 professional and other membership fees paid by Hydro One on behalf of its employees.
20

21 **Response:**

- 22 a) Hydro One was a member of the Electricity Distributors Association in 2014, whereby
23 the fees were \$185,000. Hydro One has not been a member since then.
24
25 b) Hydro One has forecasted for the following corporate memberships in 2018:
26
 - 27 • Canadian Electricity Association
 - 28 • Ontario Energy Association
 - 29 • Distribution Council Membership
 - 30 • E Source
 - 31 • EEI International
32 c) Hydro One pays professional and membership fees for a number of employees based on
33 their role in the company. Examples of professional fees paid would include Certified
34 Professional Accountant (CPA), Professional Engineer (P.Eng), Law Society fees etc.
35 Typically these costs are included as a small portion of the administrative budget of each
36 department. Hydro One does not have all the data required to perform the analysis

Filed: 2018-02-12
EB-2017-0049
Exhibit I
Tab 38
Schedule VECC-50
Page 2 of 2

1 requested in this interrogatory readily available. It would require unreasonable effort to
2 procure in the timeframe provided.

Witness: JODOIN Joel

1 **Vulnerable Energy Consumers Coalition Interrogatory # 51**
2

3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 A-06-03
10 Exhibit C1, Tab 1, Schedule 1, Table 1
11 Exhibit A, Tab 7, Schedule 1, Table 4
12

13 **Interrogatory:**

- 14 a) Please explain the treatment of the OM&A costs related to the acquired utilities Norfolk,
15 Haldimand and Woodstock in both Exhibit A, Tab 6, Schedule 3 and Exhibit C1, Tab 1,
16 Schedule 1, Table 1.
17
- 18 b) Please reconcile the difference between the OM&A values for 2017 and 2018 as reported in
19 the two references in part (a) (e.g. for 2018 - \$594 M vs. \$591.1 M).
20
- 21 c) Please provide a breakdown of the forecast 2017 and 2018 OM&A costs associated with
22 Norfolk, Haldimand and Woodstock using the same categories as set out in Exhibit C1, Tab
23 1, Schedule 1, Table 1.
24
- 25 d) If the differences noted in part (b) are (in part or whole) related to the OM&A costs
26 associated with Norfolk, Haldimand and Woodstock, please reconcile the variances noted in
27 part (b) for 2017 and 2018 with the forecast 2017 and 2018 OM&A costs for these acquired
28 utilities as set out in Exhibit A, Tab 7, Schedule 1, Table 4.
29

30 **Response:**

31 Please note that OM&A costs for the acquired customers will not impact any revenue
32 requirement request until 2021. As part of the MAAD application approvals, a five-year deferral
33 period was approved for each utility. Each acquired utility had their previous OEB-approved
34 distribution rates reduced by 1% and froze for five years. Per “Rate-Making Associated with
35 Distributor Consolidation” policies¹, this deferral period allows shareholders the opportunity to

¹ Rate-making Associated with Distributor Consolidation 2007 and 2015

Witness: D'ANDREA Frank

1 offset the costs of a MAADs transaction². Therefore cost to serve these customers will not
 2 impact the Hydro One Distribution revenue requirement or customer's rates until January 1,
 3 2021.

4
 5 a) The acquired utilities OM&A costs have not been included in any revenue requirement
 6 request for 2017 nor 2018. Therefore incremental OM&A costs, as shown in Exhibit A, Tab
 7 7, Schedule 1, are not included in Table 1 "Summary of Recoverable OM&A Expenses"
 8 provided in Exhibit C1, Tab 1, Schedule 1.

9
 10 The OM&A costs, as shown in the Pro Forma Statement of Income in Exhibit A, Tab 6,
 11 Schedule 3, do not include the acquired utilities.

12
 13 b) The numbers referenced in the question were updated on June 7, 2017 as follows:

	2017	2018
Exhibit A, Tab 6, Schedule 3	575	587
Exhibit C1, Tab 1, Schedule 1	572.8	584.8

14
 15 The difference of approximately \$2.0 million each year relates to OM&A costs associated
 16 with the provincially funded green energy program. For rate-making purposes, these costs
 17 are excluded from OM&A.

18
 19 c)

20 **Acquired LDC Forecast OM&A Costs**

	Norfolk		Haldimand		Woodstock	
	2017 (\$M's)	2018 (\$M's)	2017 (\$M's)	2018 (\$M's)	2017 (\$M's)	2018 (\$M's)
Sustainment	0.78	0.80	2.03	2.07	0.42	0.37
Development	-	-	-	-	-	-
Operations	0.67	0.67	0.43	0.43	0.33	0.33
Customer Care	0.85	0.87	1.17	1.20	0.76	0.78
Common Corporate Costs & Other ³	0.79	0.81	1.39	1.40	0.63	0.62
Total	3.10	3.10	5.00	5.10	2.10	2.10

21
 22 d) Not applicable.

² EB-2014-0138, page 5

³ As indicated throughout Exhibit A, Tab 7, Schedule 1, OM&A costs for the acquired utilities are provided on an incremental basis, therefore there is no allocation of corporate overhead costs. For rate-making purposes, overhead allocations were applied to determine cost-based rates.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 52**

2
3 **Issue:**

4 Issue 38: Are the proposed OM&A spending levels for Sustainment, Development, Operations,
5 Customer Care, Common Corporate and Property Taxes and Rights Payments, appropriate,
6 including consideration of factors considered in the Distribution System Plan?
7

8 **Reference:**

9 A-06-02
10

11 **Interrogatory:**

12 Please provide a copy of Hydro One Distribution's 2016 Financial Statements.
13

14 **Response:**

15 Please see Hydro One Distribution's 2016 Financial Statements provided in Exhibit A, Tab 6,
16 Schedule 2, Attachment 3 in the updated application filed on June 7, 2017.

1 **Association of Major Power Consumers in Ontario Interrogatory # 39**

2
3 **Issue:**

4 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
5 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
6 preferences?

7
8 **Reference:**

9 C1-01-02 Page: 7-8 Stations Demand and Planned Corrective Maintenance program

10
11 **Interrogatory:**

- 12 a) Page 7: Please provide the volume of asset component failures for the years 2012 to 2017 and
13 forecast for 2018.
- 14
- 15 b) Please discuss any historical trends in asset component failures by asset type.
- 16
- 17 c) Please provide the volume of assets maintained (corrective) for the years 2012 to 2017.
- 18
- 19 d) Please discuss any trends in corrective maintenance based on asset type.
- 20
- 21 e) Please provide the number of defects/deficiencies corrected for the years 2012 to 2017 and
22 forecast for 2018.
- 23
- 24 f) Does Hydro One track the age of each asset component repaired or replaced? If yes, please
25 discuss the data available.
- 26

27 **Response:**

- 28 a) Please refer to interrogatory response Exhibit I-24-AMPCO-24.
- 29
- 30 b) For trends in station transformer failures, please refer to page 12 in Exhibit B1, Tab 1,
31 Schedule 1, DSP Section 2.3.
- 32
- 33 c) Please see table below for the number of station assets which received corrective repairs for
34 the years 2012 to 2017.

	2012	2013	2014	2015	2016	2017
Number of station assets which received corrective repairs	1435	1507	1320	1644	1609	1550

- 1 d) For the period 2012 to 2017, there has been an increasing trend of defects related to station
2 transformers, reclosers and fuses. Transformer defects overall have increased by 34%,
3 recloser defects have increased by 58%, and fuse defects have increased by 42%. Defects
4 related to station switches have been stable; while defects related to station fences, gates,
5 structures and footings have decreased overall by 12%.
6
- 7 e) Please see table below for the number of stations defects corrected for the years 2012 to 2017
8 and forecast for 2018.
9

	2012	2013	2014	2015	2016	2017	2018
Number of station defects corrected	1905	2034	1770	2210	2219	2210	2260

- 10
- 11 f) Yes, Hydro One Distribution does track the age of station transformers that have been
12 replaced due to failure; please refer to interrogatory response Exhibit I-25-Staff-156 part (a).

1 **Association of Major Power Consumers in Ontario Interrogatory # 46**

2
3 **Issue:**

4 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
5 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
6 preferences?

7
8 **Reference:**

9 C1-01-02

10
11 **Interrogatory:**

- 12 a) Please provide the number of outages due to Preventive Maintenance and Corrective
13 Maintenance for the years 2012 to 2017 and forecast for 2018.
- 14
15 b) Please provide the number of customer interruptions due to Preventive and Corrective
16 Maintenance for the years 2012 to 2017 and forecast for 2018.
- 17
18 c) Please provide the number of customer interruption hours due to Preventive and Corrective
19 Maintenance for the years 2012 to 2017 and forecast for 2018.

20
21 **Response:**

- 22
23 a) Outages due to preventive maintenance are a subset of scheduled outages. Hydro One does
24 not report or differentiate outages due to corrective maintenance from non-scheduled
25 outages.

Year	Total Number Of Scheduled Interruptions, Excluding FM
2012	6,159
2013	5,816
2014	6,163
2015	7,141
2016	7,125
2017	5,086

26
27 The target/forecast for Scheduled Outages for 2018 are not based on number of outages, they
28 are based on SAIDI and SAIFI. See part (b) and (c) for more information.

1 b) Outages due to preventive maintenance are a subset of scheduled outages. Hydro One does
2 not report or differentiate outages due to corrective maintenance from non-scheduled
3 outages.
4

Year	Total Number Of Scheduled Customer Interruptions, Excluding FM
2012	748,802
2013	789,023
2014	808,684
2015	765,013
2016	750,779
2017	520,296

5
6 The target/forecast for Scheduled Outages for 2018 are not based on number of customer
7 interruptions, they are based on SAIDI and SAIFI. The SAIFI target for 2018 is 0.53.
8

9 SAIFI is calculated as follows:
10

$$SAIFI = \frac{\text{Total Customer Interruptions}}{\text{Total Customer Served}}$$

11
12 Therefore the approximate target for the Number of Scheduled Customer Interruptions,
13 Excluding FM = 0.53*Total Customers Served in 2018.
14

15 c) Outages due to preventive maintenance are a subset of scheduled outages. Hydro One does
16 not report or differentiate outages due to corrective maintenance from non-scheduled
17 outages.
18

Year	Total Scheduled Customer Hours Of Interruption, Excluding FM
2012	1,691,844
2013	1,764,901
2014	1,900,398
2015	1,842,877
2016	1,956,799
2017	1,165,780

19
20 The target/forecast for Scheduled Outages for 2018 are not based on number of customer
21 hours of interruption, they are based on SAIDI and SAIFI. The SAIDI target for 2018 is 1.27.

1 SAIDI is calculated as follows:
2

$$SAIDI = \frac{\textit{Total Customer Hours of Interruptions}}{\textit{Total Customer Served}}$$

3
4 Therefore the approximate target for the Number of Scheduled Customer Hours of
5 Interruptions, Excluding FM = 1.27*Total Customers Served in 2018.

1 **Building Owners and Managers Association Toronto Interrogatory # 11**

2
3 **Issue:**

4 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
5 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
6 preferences?

7
8 **Reference:**

9 Executive Presentation Day Transcript Page: 44

10
11 *Mr. Pugliese indicated that Hydro One had just launched a new bill design.*

12
13 **Interrogatory:**

14 Please provide a copy of the new bill. Was it tested on during the customer consultation process
15 for the Distribution System Plan or in a separate research project? Please provide the results of
16 consumer testing, the total cost of bill redesign including research and graphic design and the
17 estimated impact on Customer Information System Costs in 2016 and 2017 as well as for the 5-
18 year plan. Was there a business case developed for the redesign? Will customer service costs
19 be reduced during the 5-year plan as result?

20
21 **Response:**

22 A copy of the new bill can be found in part a) of Exhibit I-2-Staff-8. The bill was tested as part
23 of the Bill Redesign Project as outlined in that same Exhibit. The cost of the bill redesign can be
24 found in part d) of Exhibit I-2-Staff-9. The costs included in the five-year plan can be explained
25 in part h) of that same Exhibit. Yes, a business case was developed for the Bill Redesign Project.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 53**
2

3 **Issue:**

4 Issue 39: Do the proposed OM&A expenditures include the consideration of factors such as
5 system reliability, service quality, asset condition, cost benchmarking, bill impact and customer
6 preferences?
7

8 **Reference:**

9 B1-01-01 Section 1.4 Page: 14-28
10

11 **Interrogatory:**

- 12 a) Does Hydro One breakdown outages due to defective equipment by equipment type (e.g.
13 transformer, insulator etc.).
14
15 b) If not why not.
16
17 c) If yes, please provide the reports for the period 2014 through 2017 of outages for defective
18 equipment by cause code.
19

20 **Response:**

- 21 a) Hydro One does not report customer interruptions to the level of granularity required for
22 equipment subcomponent failures.
23
24 b) Hydro One categorizes outages by causes as per Tables 13-15 in Exhibit B1, Tab 1, Schedule
25 1, DSP Section 1.4
26
27 c) Not applicable.

Association of Major Power Consumers in Ontario Interrogatory # 47

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-01 Page: - Staffing & Employee Compensation

Interrogatory:

- a) Please provide and describe the key Human Resource Metrics utilized by Hydro One.
- b) For each metric in part (a) please provide the historical performance for each metric and the targets over the test period.
- c) Page 3: Please confirm a Temporary employee means the same thing as a Non-Regular employee.
- d) Pages 2-5. Please complete the following table to show total compensations costs for each employee classification to align with the amounts on C1-2-1 Page 48 Appendix B:

Employee Classifications	Compensation Costs									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
3.1 Regular Employees										
3.2 Temporary Employees										
3.3 Casual Workers										
3.4 Contract Staff										

- e) Page 6 Figure 1: Please provide a chart that sets out the actual numerical values for the # retired and the # eligible to retire. Please provide the data for 2017. Please provide the # eligible to retire for each of the years 2018 to 2022.
- f) Please provide the budget compared to actuals for overtime for the years 2012 to 2017.
- g) Page 9 Table 1: Please provide an excel version of Table 1.
- h) Page 9: Please reproduce Table 1 for the years 2012 to 2016 and update for 2017. Please provide an excel version of the table.

- 1 i) Page 10: Please provide the current organizational structure that reflects Hydro One's
- 2 OM&A work programs and the number of FTEs in each unit.
- 3 j) Page 10: Please provide the portion of Construction Services completed externally for each
- 4 of the years 2012 to 2017. Please provide the forecast for each of the years 2018 to 2022.
- 5 k) Page 11: Please discuss how the use of external resources impacts the annual cost of
- 6 engineering work.
- 7 l) Page 11: Please provide the forecast of the engineering work to be completed externally for
- 8 each of the years 2019 to 2022.
- 9 m) Page 12: Please provide a list of all of the OM&A work that is outsourced.
- 10 n) Page 12: Please provide the % of Provincial Lines work that is outsourced for each of the
- 11 years 2012 to 2017 and forecast for each of the years 2018 to 2022.
- 12 o) Page 13: Please describe the new scheduling tool in 2017, indicate when it was implemented
- 13 and provide the anticipated savings.
- 14 p) Page 15: Please confirm the Employee Classification that apprentices fall under.
- 15 q) Page 37 Table 9: Please provide the total compensation amounts above market median in
- 16 each of the years 2018 to 2022.
- 17 r) Page 21: Please list the pay elements attributable to Hydro One that were not included in
- 18 Willis Tower Watson's market assessment and explain why they were not included.
- 19 s) Please identify the pay elements not included in the most recent Willis Tower Watson's
- 20 market assessment that were included in the previous study.
- 21 t) Please discuss how each of the missing pay elements identified in part (r) could impact
- 22 Hydro One's positioning with respect to market median for each employee group
- 23 (Management, Society, PWU, Temps).
- 24 u) Please provide a table that sets out the amounts Hydro One is above P50 (market median) for
- 25 each of the years 2018 to 2022 for each of the pay elements in C1-2-1 Page 48 Appendix B.
- 26 v) Page 33: Please provide the ratio of total distribution compensation to total compensation for
- 27 each of the years 2014 to 2022.
- 28 w) Page 34 Figure 4: Please provide a chart that sets out the actual numerical amounts in the
- 29 table for Total Dx Comp, Total DX Spends and Ratio Compensation/Total DX Spend.
- 30 x) Page 34 Figure 4: Please provide a breakdown of the work programs that make up the total
- 31 work program spend.
- 32 y) Page 48 Appendix B: Please update the table to reflect the December 21, 2017 evidence
- 33 update and provide an excel version of the table.
- 34 z) Page 48 Appendix B: Please provide a further breakdown of MCP other allowances for each
- 35 of the years 2014 to 2016.

1 **Response:**

- 2 a) In 2017, Hydro One created a number of new HR metrics that are reported upon on a
3 monthly basis. Please see Attachment 1 for an overview of these metrics.
4
5 b) Since these HR metrics were only established in 2017, there are no historical data to report.
6
7 c) Confirmed.
8
9 d) Please see table below.
10

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Regular Employees	520,886,246	527,435,190	528,333,209	505,694,744	531,422,777	538,447,103	526,619,992	510,994,519	515,445,814
Temporary Employees	15,566,142	10,928,538	12,259,658	8,216,054	7,682,042	7,475,161	7,328,033	7,047,575	7,137,521
Casual Employees	92,234,698	86,933,782	98,411,759	92,837,686	98,673,687	96,608,455	97,327,325	98,206,648	99,425,885
Distribution Total Compensation	628,687,087	625,297,510	639,004,626	606,748,484	637,778,506	642,530,718	631,275,350	616,248,742	622,009,219

11
12
13 Beginning in 2016, Hydro One began reporting on contract staff in detail. As such, Hydro
14 One can provide data for 2016 and 2017 only. In 2016, Hydro One spent \$18,983,948. In
15 2017, Hydro One spent \$ 20,761,938.
16

- 17 e) Please refer to Exhibit I-40-SEC-76.
18
19 f) Overtime hours are not planned as part of the budget. An assumption of overtime hours,
20 based on historical experience, is used in the derivation of standard labour rates annually.
21
22 g) Please see Attachment 2.

h)

Full Time Equivalents (FTE) – 2012-2017

		2012	2013	2014	2015	2016	2017
Regular	MCP	655	634	605	597	611	679
	Society	1342	1318	1291	1282	1267	1375
	PWU	3476	3396	3342	3356	3391	3480
	Total	5473	5348	5238	5235	5269	5534
Non-Regular	MCP	19	23	29	29	33	29
	Society	56	55	56	55	47	51
	PWU	259	321	328	212	230	165
	Total	334	399	413	296	310	245
Casual	PWU HH	1301	1330	1338	1188	1383	1374
	Casual Construction	1104	1116	1319	1358	1402	1428
Total FTE's		8212	8193	8308	8077	8364	8581

i) The distribution organization's regular headcount is provided in Figure 1. Hydro One also uses the Power Workers' Union hiring hall (HH) to manage seasonal fluctuation in the work program which results in a yearly increase of approximately 550 FTEs for Forestry and 600 FTE's for Lines. Please see Exhibit I-3-SEC-5 for Hydro One's organizational chart.

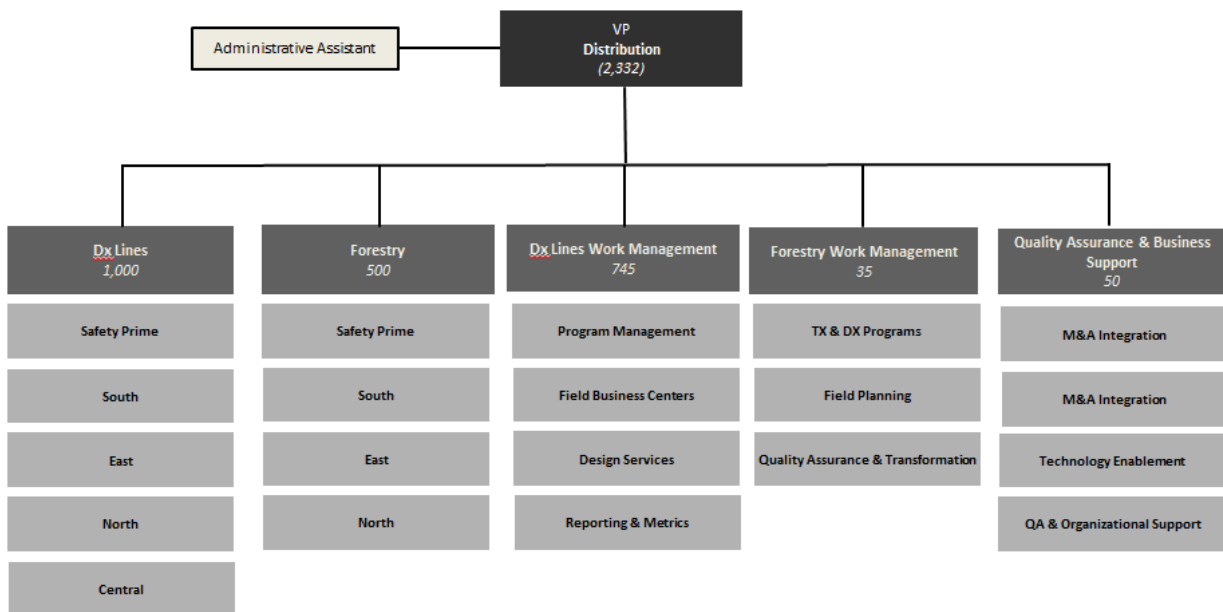


Figure 1

- 1 j) The amounts Hydro One spent on externally completed distribution field work for the 2012-
2 2017 period are set out below.

3

2012–2015	\$0.2 million for cable locates (of total \$20.9 million program)
2016	\$8.1 million for cable locates (of total \$11.1 million program)
2017	\$0.6 million for CDMA (of the total \$11.3 million program) \$8.5 million for cable locates (of total \$12.1 million program)

4
5 In addition to the above, Hydro One uses specialized service providers to complement its
6 field forces (vac trucks, rock drilling, etc.) but does not currently contract out entire work
7 packages/projects.

- 8
9 k) External engineering only makes up a small amount of Hydro One's work program and has
10 no impact on the annual cost of engineering work.
11
12 l) Hydro One is currently reviewing all alternatives and investigating proven pre-engineered
13 solutions eliminating the need for site specific engineered solutions.
14
15 m) Hydro One currently only outsources the cable locates work as a dedicated externally
16 delivered OM&A activity.
17
18 n) See below for the amounts Provincial Lines has spent on outsourced work.

19 **Actuals (2012-2017)**

20 2012-2015 0%
21
22 2016 1%
23 2017 1.2%

24 **Forecast (2018– 2022)**

25 2018 1.4%
26 2019 1.3%
27 2020 1.3%
28 2021 1.3%
29 2022 1.2%

- 30
31
32 o) In 2017, Hydro One implemented mobile tablets (as part of the Move to Mobile project) and
33 an associated work management technology to enhance its field execution through

1 optimization of resources and daily scheduled activities. Detailed productivity savings
 2 forecasts are provided in section 1.5 of the DSP (Exhibit B1, Tab 1, Schedule)

- 3
 4 p) Apprentices can be either PWU Hiring Hall or Casual employees.
 5
 6 q) Please see Exhibit I-40-AMPCO-48 and Exhibit I-40-SEC-84 for the 2018 figure.
 7 Compensation costs above P50 for the period 2019–2022 have not be calculated, as OM&A
 8 costs are escalated by the IRM as described in Exhibit A, Tab 3, Schedule 2.
 9
 10 r) The Willis Tower Watson market assessment evidence on page 21 reported on both total cash
 11 and total rewards.
 12
 13 s) It is not clear what is meant by “the previous study”.
 14
 15 t) In preparation for Hydro One’s next transmission application, Mercer is finalizing another
 16 compensation which includes the missing compensation elements. Hydro One expects to
 17 share the results in this proceeding, once they are available.
 18
 19 u) Hydro One’s total compensation relative to P50 based on the Mercer Study does not provide
 20 this level of detail.
 21
 22 v) The ratios of Hydro One Distribution compensation costs to Hydro One’s total compensation
 23 costs are based on Attachment 6 to Exhibit C1, Tab 2, Schedule 1 (see page 7).
 24

	2014	2015	2016	2017	2018	2019	2020	2021	2022
DX Comp. as % of Total Comp.	69.3%	70.1%	72.6%	65.8%	67.0%	68.3%	69.9%	73.0%	73.0%

- 25
 26
 27 w) Please see the table below.
 28

\$M	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total DX COMP	628	625	639	606	637	642	631	616	622
Total DX Spend	1,322	1,251	1,287	1,214	1,225	1,352	1,322	1,362	1,453
% of Comp	0.48	0.50	0.50	0.50	0.52	0.47	0.48	0.45	0.43

- 29
 30
 31 x) Please see section 3.7 of the DSP (Exhibit B1, Tab 1, Schedule 1) for capital program
 32 breakdown by material investments. Please see Exhibit C1, Tab 1, Schedule 1 for a summary
 33 of all OM&A expenditures. Further details are provided in the rest of the Schedules to
 34 Exhibit C1, Tab 1.

1 y) Please see the table below. The MS Excel file is provided as Attachment 3.

Labour Component Distribution

MCP	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	38,364,187	40,563,964	44,021,905	46,690,212	48,341,436	48,845,764	48,152,984	47,139,844	48,097,307
Burdens	25,773,061	27,562,357	23,117,573	24,741,693	25,344,886	25,623,992	25,215,516	24,631,802	25,208,277
Other Allowances	3,965,808	2,783,396	4,313,744	4,048,628	4,279,923	4,348,970	4,300,665	4,217,666	4,302,019
STI	4,769,024	5,280,942	6,280,535	5,974,927	6,216,270	6,318,168	6,246,880	6,124,391	6,248,879
LTI			926,143	3,893,438	3,824,760	3,625,313	3,464,256	3,300,842	3,441,212
ESOP			799,197	902,159	911,181	920,293	929,496	938,791	948,178
Distribution Total	72,872,080	76,190,658	79,459,097	86,251,056	88,918,456	89,682,499	88,309,797	86,353,335	88,245,872

Society	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	75,689,891	77,185,295	79,896,923	80,327,794	85,406,940	85,271,924	82,738,905	79,558,999	79,956,794
Overtime	4,029,156	3,788,344	5,240,140	3,010,299	3,036,352	3,042,689	3,044,569	3,044,157	3,059,378
Lump Sums			757,623	1,385,814	-	-	-	-	-
Burdens	50,848,469	52,445,778	41,956,906	42,566,643	44,746,925	44,701,772	43,297,222	41,544,207	41,877,200
Share Grants					1,489,275	1,474,306	1,410,069	1,300,342	1,228,666
Distribution Total	130,567,516	133,419,417	127,851,592	127,290,550	134,679,492	134,490,692	130,490,765	125,447,705	126,122,038

PWU	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	166,554,177	168,767,821	178,400,835	171,624,220	177,985,805	181,793,217	177,529,193	171,927,760	173,268,590
Overtime	39,001,377	32,831,201	45,703,166	25,592,126	25,589,719	26,267,680	26,452,850	26,639,098	26,842,237
Lump Sums		1,551,922	3,233,471	-	-	-	-	-	-
Burdens	111,891,096	114,674,170	93,685,049	90,945,694	93,251,408	95,300,758	92,900,926	89,777,429	90,749,054
Share Grants				3,991,098	4,050,829	4,010,113	3,835,388	3,536,931	3,341,972
Distribution Total	317,446,650	317,825,115	321,022,520	292,153,138	300,877,761	307,371,768	300,718,357	291,881,218	294,201,853

Temps	2014	2015	2016	2017	2018	2019	2020	2021	2022
Casual Trades	72,600,869	70,901,026	78,244,679	79,448,861	84,499,557	82,600,879	83,157,282	83,816,562	84,689,539
MCP	1,165,082	1,226,207	1,752,571	1,311,379	1,340,578	1,362,206	1,347,075	1,276,025	1,301,545
Society	2,453,938	2,421,692	2,232,127	1,999,422	1,865,953	1,651,304	1,608,948	1,554,693	1,562,466
PWU	11,017,691	6,617,444	7,533,423	4,405,702	3,999,795	3,993,690	3,910,613	3,768,268	3,805,951
Overtime	14,126,632	10,757,207	14,214,548	7,744,112	8,063,695	7,959,683	8,042,002	8,139,071	8,223,240
Other Allowances	-	-	-	-	-	-	-	-	-
Burdens	6,436,628	5,938,744	6,694,070	6,144,266	6,586,151	6,515,853	6,589,437	6,699,604	6,980,664
Distribution Total	107,800,840	97,862,320	110,671,417	101,053,740	106,355,729	104,083,616	104,655,358	105,254,223	106,563,405

Distribution Total Compensation	628,687,087	625,297,510	639,004,626	606,748,484	630,831,439	635,628,575	624,174,277	608,936,482	615,133,169
--	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------------------

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Estimated Labour in Capital Exp	435,963,276	438,102,009	463,676,410	399,194,419	425,294,822	436,987,864	439,439,816	447,778,837	452,114,859
Estimated Labour in OM&A	192,723,811	187,195,501	175,328,216	207,554,065	208,736,617	201,840,710	187,934,461	164,357,645	166,218,310
Distribution Total Compensation	628,687,087	625,297,510	639,004,626	606,748,484	630,831,439	635,628,575	624,174,277	608,936,482	615,133,169

Pension / OPEB	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pension	77,000,000	77,000,000	50,000,000	49,000,000	46,000,000	46,000,000	46,000,000	46,000,000	46,000,000
OPEB	59,555,218	52,414,405	43,540,991	51,596,670	46,597,810	46,642,733	46,443,804	46,232,616	46,668,827

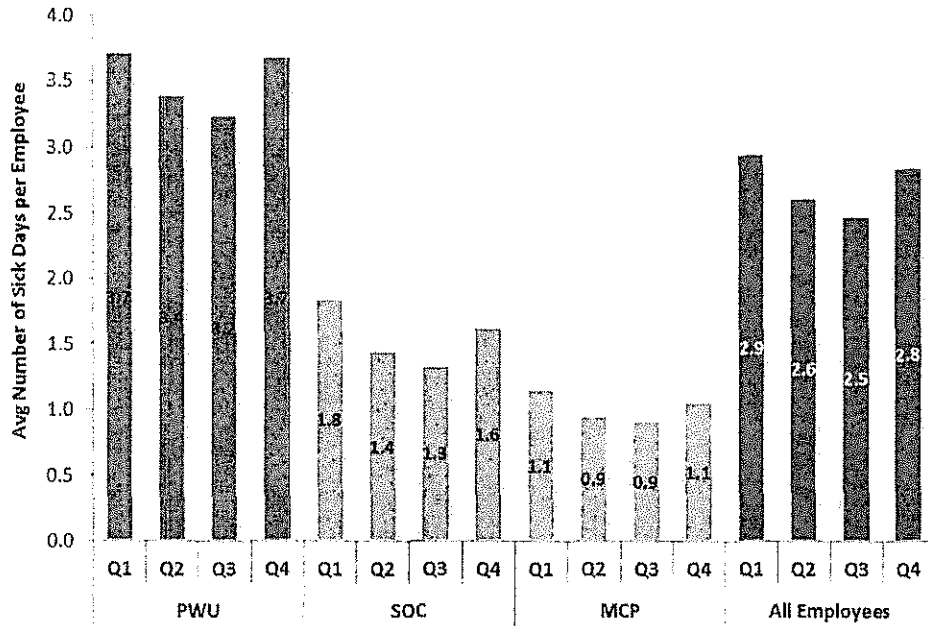
2
3
4
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6
7
8

z) For MCP employees, “Other Allowances typically includes vacation payout upon termination, unused vacation, retirement bonus, MCP general benefit payout, bonus for job contribution and relocation benefits. Due to system limitations, Hydro One is unable to provide the requested data for 2014-2016.

4 HR (1 of 3):

d Attendance Management & Grievance Activity

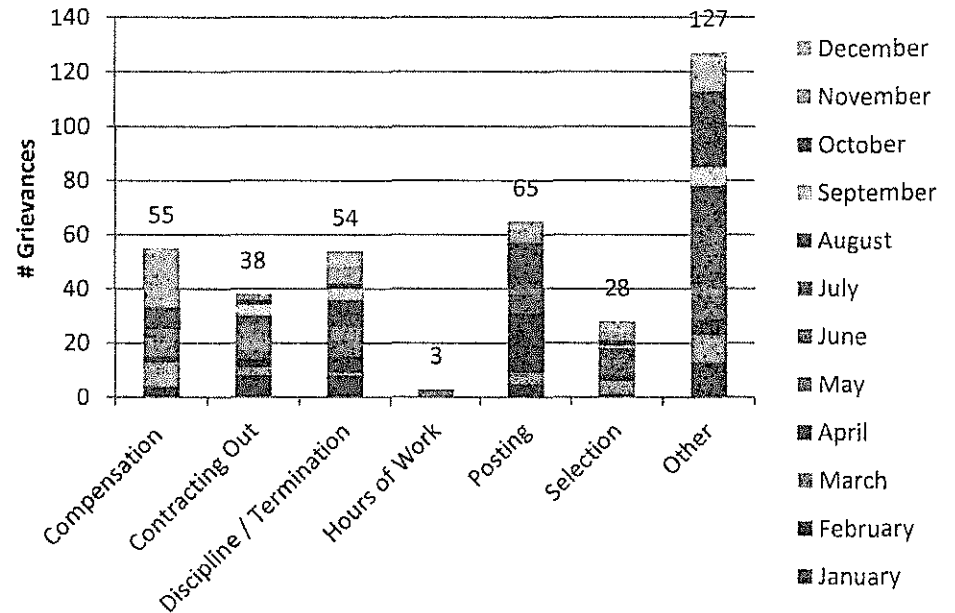
ATTENDANCE MANAGEMENT



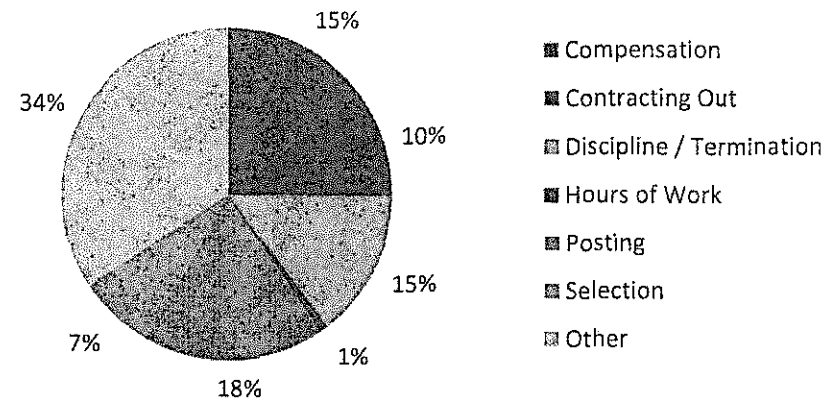
- Average number of sick days per employees increased for all representations, raising the total average number of sick days per employee by 0.3 in the last quarter of 2017.
- PWU represented employees have the highest number of sick days per employee, averaging 2.2 more sick days taken vs. SOC and MCP employees for all quarters.
- In terms of sick leave utilization for all employees in Q4:
 - PWU – 78% utilized sick leave (+6% vs. Q3), with 39% reaching excessive sick leave
 - SOC – 50% utilized sick leave (+6% vs. Q3), with 23% reaching excessive sick leave
 - MCP – 24% utilized sick leave (+1% vs. Q3), with 8% reaching excessive sick leave

GRIEVANCES

Total Grievances Filed by Subject



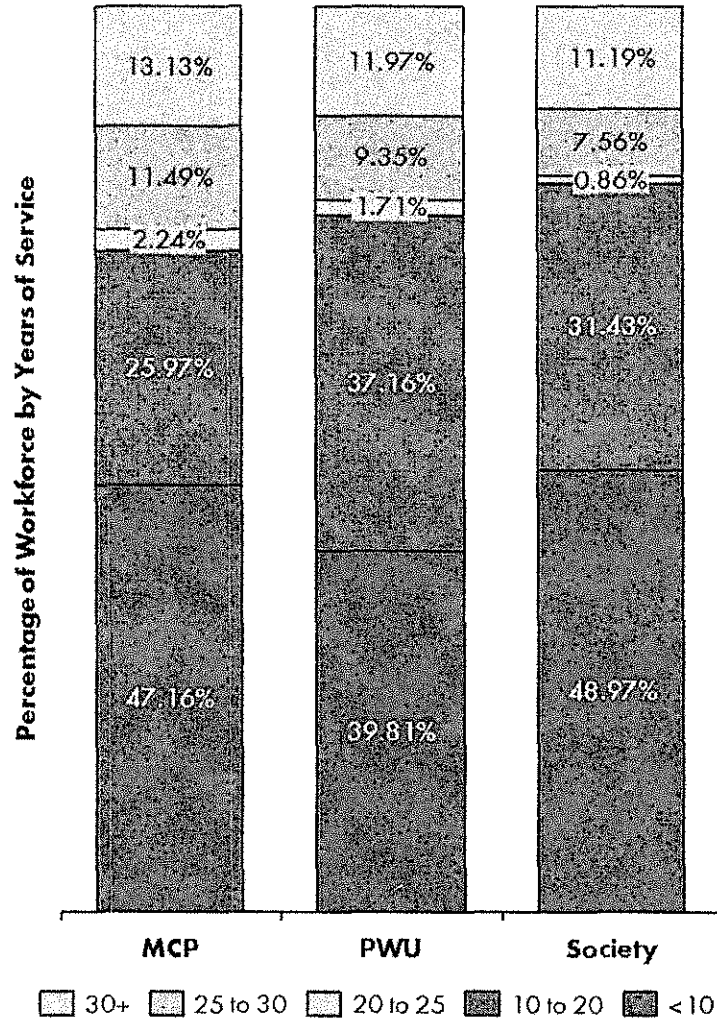
Total Grievances Filed by Subject



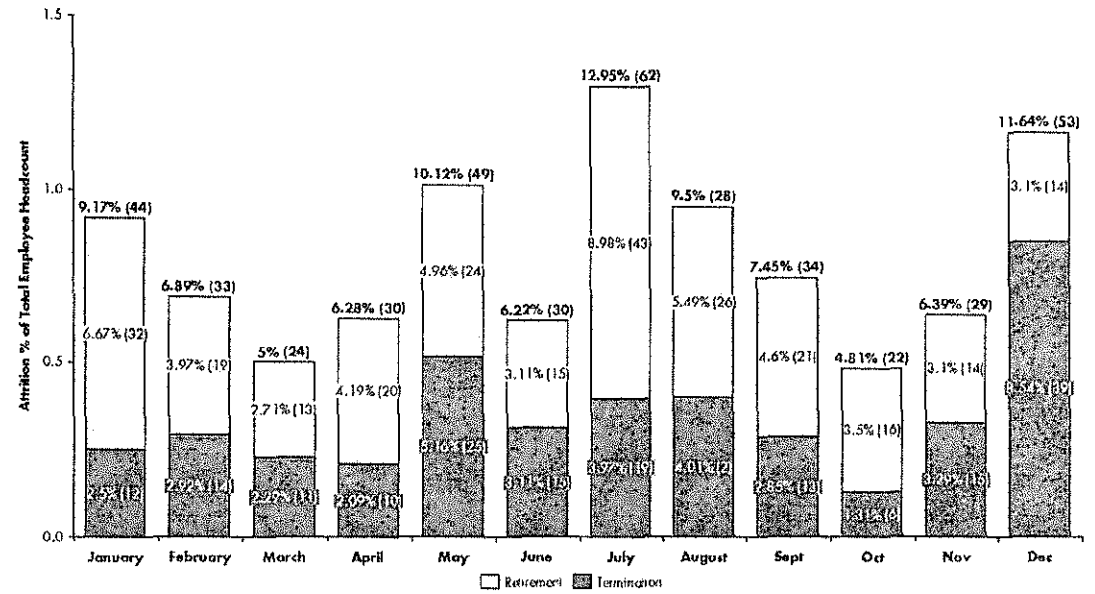
4 HR (2 of 3):

d Workforce

YEARS OF SERVICE



TURNOVER



- Data is transactional, any backdated terminations/retirements not reported in the previous month is included in the following months report
- Turnover calculated by number of retirements and terminations in the calendar month
- Percentages represents an annualized turnover rate, against total Regular and Temp headcount at the end of each month

The total annualized turnover rate increased in November by 5.25 percentage points to 11.6%, due to the uptick in Terminations.

For regular employees, retirements were the single biggest reason for attrition - 70% of employees left due to retirements vs. voluntary and involuntary terminations. For temporary staff, 88% employees left to return to school and the rest were terminated due to the end of assignment.

- Of the 14 retirements, 57% (8) were PWU-represented employees, 7% (1) Society-represented and 36% (5) were Management employees.
- Of the 39 terminations, 2 were voluntary (1 Management- and 1 PWU-represented employee), 3 were involuntary (Management-represented), 1 Death (PWU-represented) and the rest 33 were temporary employees returning back to school.

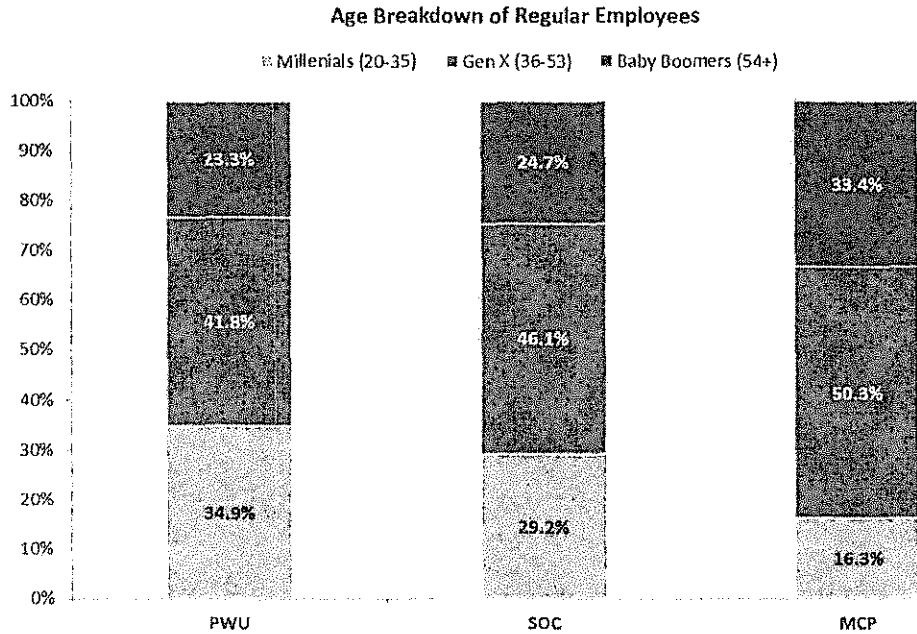
Note:

- Retirements include employees who opted for a retirement eligible termination (commuted value or partial payout). Terminations include death, involuntary and voluntary separation.
- Attrition data is transactional, any backdated terminations and retirements not reported in the previous month end is updated in the following month end report.

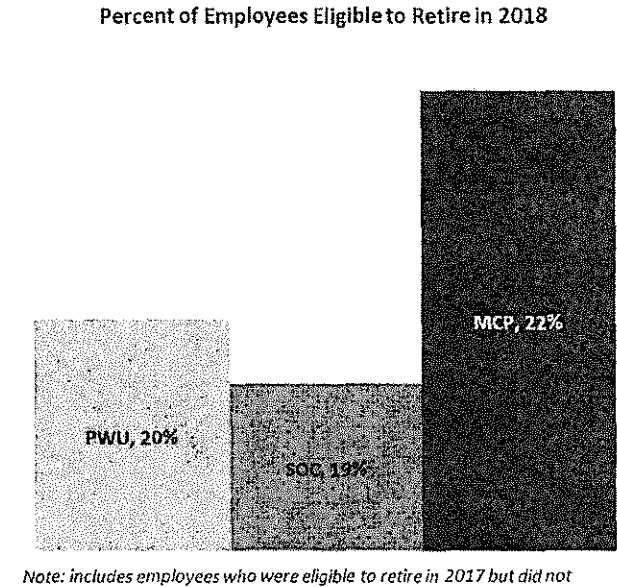
4 HR (3 of 3):

d Workforce

AGE BREAKDOWN



RETIREMENT ELIGIBILITY

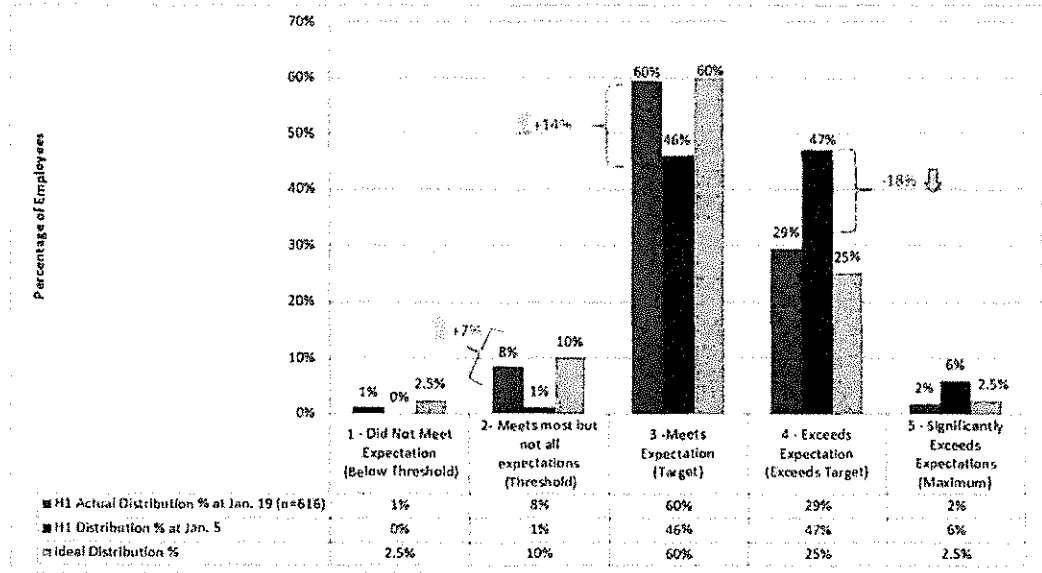


- The largest majority of employees in all representations fall into the Generation X age category, which includes individuals between 36 and 53 years of age.
- Management and non-represented represented employees have the largest proportion of Baby Boomers (54 years of age and older). This is further reflected in the retirement eligibility statistics of Management employees - 19% of all Management employees were eligible to retire in 2017 but did not, and in addition to the 3% of employees who will become eligible to retire in 2018, the total number of employees who represent flight risk due to retirements in 2018 is 22%.
- PWU represented employees have the most "balanced" age distribution, with Millennial age group (20-35 years of age) representing 35% of staff, and Generation X representing 42% of staff. This reduces the risk of knowledge loss due to retirements, although 20% of the PWU represented Baby Boomers could retire this year.

4 HR (1 of 1):

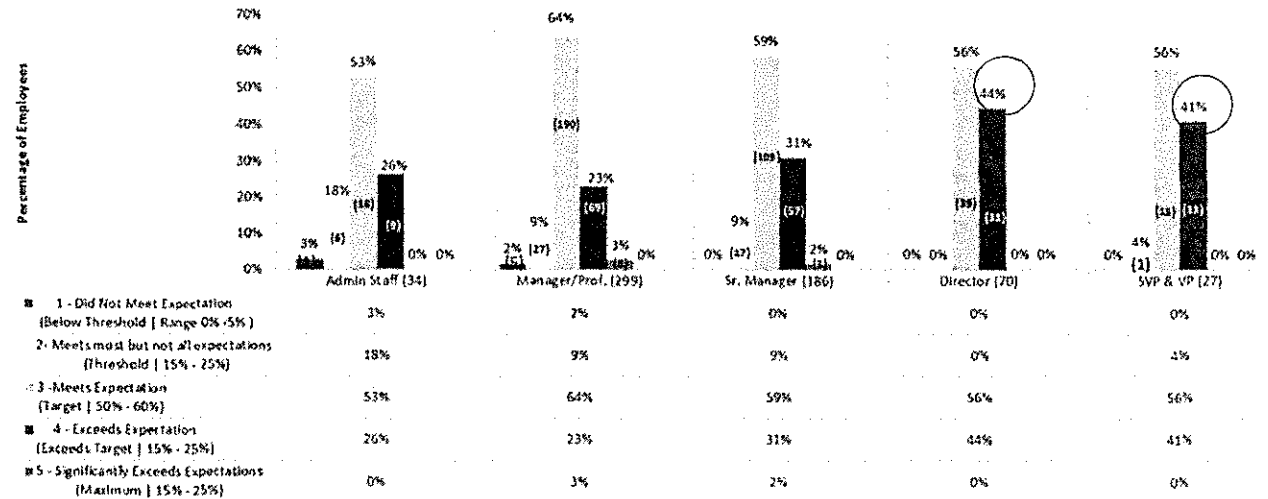
d Performance Assessments & Individual components of STIP

HYDRO ONE PERFORMANCE DISTRIBUTION AT JAN 22



- Overall, average Performance ratings is 3.22 (Meets Expectation) and average Values ratings is 3.42 (Meets Expectation), resulting in an average STIP Individual Performance Multiplier Range of 75 – 124%.
- Significant work was done the week of January 18th at the VP level and subsequently on January 22nd by our ELT to calibrate ratings in support of differentiating talent and meeting our ideal distribution of 60% of employees with a ratings of Meets Expectation. As of January 22nd, following the ELT calibration meeting we calculated a final reduction of 18% in the Exceeds category and 7% increase in the Meets Most Expectation category compared to the original ratings captured on January 5th.

Weighted Average Performance Rating	Overall Individual Performance Rating	STIP Individual Performance Multiplier Range
0.00 – 1.49*	Did not meet expectations	0%
1.50 – 2.49	Meets most but not all expectations	50 - 74%
2.50 – 3.49	Meets expectations	75 – 124%
3.50 – 4.49	Exceeds expectations	125 – 149%
4.50 – 5.00	Significantly exceeds expectations	150 – 200%



1 **Association of Major Power Consumers in Ontario Interrogatory # 48**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01 Page: 38

10
11 Preamble: Hydro One indicates that it expects its positioning to market median to improve in
12 each of 2017 and 2018 as a result of collective agreement negotiations.

13
14 **Interrogatory:**

- 15 a) Please provide the expected results in 2017 and 2018 as per the employee groups provided in
16 Table 9 on Page 37 (C1-2-1).
17 b) Please provide the impact in OM&A costs in bringing compensation to market median in
18 each year.

19
20 **Response:**

- 21 a) This reference to Hydro One's expectation that the results will improve is based on the
22 assumption that the PWU and Society's lower than norm base wage adjustments will
23 continue to improve Hydro One's position to market median. Hydro One expects the next
24 Mercer total compensation study will validate this expectation.
25
26 b) Based on the December 2016 Mercer study results, the amounts for 2017 and 2018 for the
27 difference between the weighted average total compensation for employees allocated to
28 Hydro One's distribution business is \$18.5 million and \$17.5 million respectively. Taking
29 into consideration the reduction in Hydro One's compensation costs since the December
30 2016 Mercer study, the impact to 2018 OM&A costs would be a reduction of \$5.3 million.
31 Please refer to Exhibit I-40-SEC-84 for more details.

1 **Association of Major Power Consumers in Ontario Interrogatory # 49**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01

10
11 **Interrogatory:**

12 a) Please provide any internal audits in the last 5 years related to Hydro One's staffing.

13
14 b) Please provide any internal audits in the last 5 years related to Hydro One's OM&A work
15 programs.

16
17 **Response:**

18 Please see Attachment 1 to Exhibit I-3-SEC-6.

1 **Association of Major Power Consumers in Ontario Interrogatory # 50**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 C1-01-07 Page: 2
10

11 **Interrogatory:**

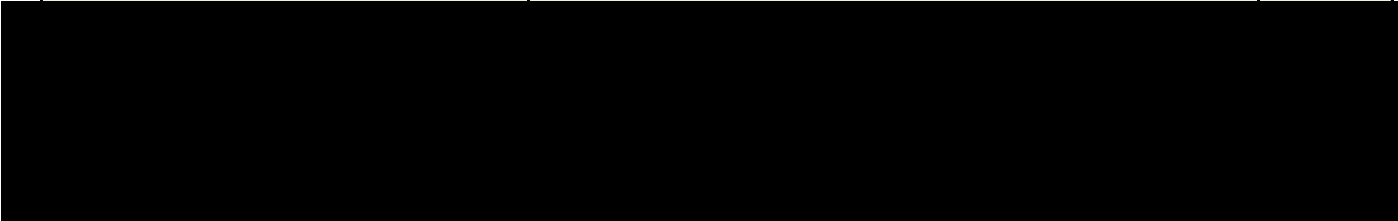
- 12 a) Please provide the internal audit workplan over the test period.
13
14 b) Please provide any internal audits in the last 5 years related to internal controls.
15

16 **Response:**

- 17 a) Please see Attachment 1 to this Exhibit, which has been redacted to exclude planned audits
18 not related to this Application. The audits listed in the plan are subject to change in response
19 to changes affecting the company and its internal and external operating environments.
20
21 b) Internal controls are embedded within processes throughout the organization and inherently
22 subject to testing as part of internal audit assurance work. Please see Attachment 1 to Exhibit
23 I-3-SEC-6.

Internal Audit Planning - 2018/2020

Subject	Description	Period
LoB:	Corporate Audits	



LoB:		
Security of Customer Data Audit	Assess if controls around high risk data based on Hydro One classification results in adequate protection.	2018 Q2
Settlements Process Review	Review of the settlements process to ensure accurate and consistent review of the billings data.	2019
Non-energy billings and accounts receivable	Assess effectiveness, consistency and efficiency of the process of billing and managing receivables for non-energy clients (Telecom, Training, etc.), currently reported by MARS	2019
Large Client Customer Service Review	Review the governance process around Large Customer Service including roles and responsibilities in managing the customer relationship, cost estimates and recovery, quality and consistency of communication.	2019
Field Business Center (FBC) Customer Service	Review protocols around Field Business Center to assess the effectiveness and consistency with which operations comply with established standards and procedures.	2019
Call Center Operations	Review the call center operations across Hydro One to assess the effectiveness and consistency with which operations comply with established standards and procedures with focus on the effectiveness of the call centers in managing complaints during peak demand, such as storms.	2020
Meter-to-Bill review	Review effectiveness of processes and controls around the Meter-to-Bill framework, including oversight controls.	2020

LoB:	Corporate Affairs	
Disclosures - Hydro One websites	Follow up on the implementation of the new external website including the review of controls over material published on the external and internal websites to ensure adequacy, accuracy and compliance to laws and regulations, and Hydro One's disclosure policy.	2018 Q1
CSR Reporting - Quality Assurance - 2018	Quality assurance review of key performance indicators (measure design, data collection, data integrity) and adequacy of CSR report statements	2018 Q1

Internal Audit Planning - 2018/2020

Subject	Description	Period
Corporate Affairs (cont'd)		
LoB: Finance		
Purchasing Cards	Review the effectiveness of processes and controls around the use and management of Purchasing Cards at Hydro One.	2018 Q2
Financial Reporting – Data Management / WDesk solution	Review the controls around the creation of the financial reports in WDesk, including access control, template creation, data migration from SAP and overall efficiency of the process.	2018 Q2
Business Planning Process Review	Assess the efficiency and effectiveness of the current business planning process, with a focus on clear accountabilities, quality of information, accuracy of processing and outputs, opportunities for process improvement and adequacy of the documentation and support.	2018 Q3
Tax Reporting	Review the process and controls around tax reporting, with focus on process efficiency, data quality and compliance to CRA rules	2018 Q3
Business Cases Process	Review effectiveness of processes and controls around the approval process for major capital projects (internal process and interfaces with external entities)	2019

Internal Audit Planning - 2018/2020

Subject	Description	Period
Finance (cont'd)		
Insurance and claims management review	Review the processes and controls around insurance claim provisioning process, and communications between affected business units.	2020
LoB:		
Load Forecast	Assess the process to determine and monitor the load forecast, including input data sources, tools being utilized and process / algorithms for forecasting	2018 Q2
LoB: General Counsel		

Internal Audit Planning - 2018/2020

Subject	Description	Period
General Counsel (cont'd)		
LoB: Outsourcing		
Inergi - Termination Plan	Perform an assessment of Inergi's transition termination plan, including the risk of business interruption.	2020
LoB: People and Culture		
Succession Planning	Review the processes and controls related to succession planning and assess the effectiveness of knowledge transfer, retention of key staff positions and adequate training; also review the identification and development of internal people with the potential to fill key business leadership positions in the company.	2018 Q2
Temporary Staff and Contractors - Cost/Benefit and Management	Review temporary staff /contractors hiring procedures and assess the effectiveness of controls in place and how the cost/benefit of these arrangements are assessed.	2018 Q3
LoB: Health, Safety and Environment		
Working At Heights	Assess the effectiveness of the existing safety controls associated with Working at Heights in reducing injuries and Regulatory compliance (i.e., Reg. 213/91 and 297/13)	2018 Q2

Internal Audit Planning - 2018/2020

Subject	Description	Period
Herbicide Safety/Environmental Review	Assess processes and controls related to managing Herbicide usage, including an end-to-end review of the governance process. Perform a compliance review on licensing and the associated impact assessments related to limitations or elimination of herbicide use.	2018 Q2
Live Line Work - Distribution Lines	Review operational controls in place related to Distribution Lines live line work to ensure employee safety and effectiveness of mitigating injuries.	2018 Q2
[Redacted Content]		
Grounding and Bonding - Transmission & Distribution Stations	Review operational controls in place related to station grounding and bonding work practices to ensure employee safety and effectiveness of mitigating injuries.	2019
[Redacted Content]		

Internal Audit Planning - 2018/2020

Subject	Description	Period
PCB Management - Follow Up	Follow-up audit to assess status and effectiveness of action plan implementation stemming from the 2017 PCB Audit, to ensure compliance with the Federal PCB Regulation and internal SP 1281 PCB Management Plan requiring PCB phase-out by 2025.	2019
[REDACTED]		
Marine Safety	Assess the effectiveness of the existing process and controls for safe operation of marine vehicles.	2020
Working with high energy equipment (Non-Electrical)	Review operational controls in place to ensure employee safety and effectiveness of mitigating injuries.	2020
Grounding and Bonding - Distribution Lines	Review operational controls in place related to Distribution Lines grounding and bonding work practices to ensure employee safety and effectiveness of mitigating injuries.	2020
[REDACTED]		
[REDACTED]		
[REDACTED]		

Internal Audit Planning - 2018/2020

Subject	Description	Period
Pensions (cont'd)		
[Redacted]		
LoB: Information Solutions Division		
[Redacted]		
SAP Critical Access Review	Review access controls to critical business functions within SAP	2018 Q2
[Redacted]		

Internal Audit Planning - 2018/2020

Subject	Description	Period
Information Solutions Division (cont'd)		
Enterprise IT Vendor Sourcing Transition review	Review the controls in place to transition from one vendor to another (ensuring risks are mitigated)	2018 Q3
Crisis Management	Review of the existing framework for managing crisis situations including timely identification, accountabilities, adequate communication and monitoring.	2018 Q4
ISOC Project Management & Governance Audit	Assess project management controls related to the Integrated System Operations Centre (ISOC) Capital Project	2019
ISOC Contract Management	Assess controls related to the management of vendors supplying services to the Integrated System Operations Centre (ISOC) project	2019

Internal Audit Planning - 2018/2020

Subject	Description	Period
Information Solutions Division (cont'd)		
Review Corporate Project Management Delivery Model Process	Perform a review of Portfolio and Project Management projects based on COBIT 5 for Assurance (BAI01 Manage Projects).	2019
Data Loss Prevention (DLP) Audit	Assess the effectiveness of internal controls to mitigate data loss (for proprietary information).	2020
SAP Hana (S4) Project Review	Internal Audit will assess the effectiveness of project management processes, including user requirements, testing and organizational change management.	2020
Enterprise Project and Portfolio Management	Assess the enterprises controls to optimize the performance of the overall portfolio of programs in response to programmed and service performance and changing enterprise priorities and demands.	2020
Enterprise IT Governance	Review processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals.	2020
Keeping Environment Current / Asset Management (EIT)	Assess effectiveness of controls to ensure hardware/software assets are appropriate maintained and supported by vendors	2020

Internal Audit Planning - 2018/2020

Subject	Description	Period
LoB: Operations - Distribution		
Acquired LDCs - Data Integration (2018)	Review effectiveness of controls around integration of LDCs customer data into Hydro One applications and databases.	2018 Q2
Forestry Work Program	Perform an end-to-end review of the Forestry Work Program to assess effectiveness of the Program development, release and completion; and compliance with the existing Standards.	2018 Q3
Acquired LDCs - Data Integration (2019)	Review effectiveness of controls around integration of LDCs customer data into Hydro One applications and databases.	2019
Distribution Lines – Customer Performance and Cost Management	Review Distribution Lines process to achieve performance and cost targets and charge these costs back to the Customer Service group.	2020
Acquired LDCs - Data Integration (2020)	Review effectiveness of controls around integration of LDCs customer data into Hydro One applications and databases.	2020
LoB: Operations - Engineering Services		
Distribution Station Design Standards	Review of Dx station design standards and provide assurance that standards are up to date, quality assurance of design is in place and practices are cost effective. (Include Reg.22/04 and Safety by Design within scope.) CA-476 To follow in subsequent years (2019/2020) with application of Distribution Station Design Standard at field locations for Transmission Stations.	2018 Q1
Engineering Quality Management Review	Review Quality Management within Engineering for both internal and external work	2019
Engineering Quality Assurance	Review quality assurance controls for engineering design outputs, use of standards, functional requirements, minimizing delays and re-work and incorporating lessons learned from past engineering work.	2019

Internal Audit Planning - 2018/2020

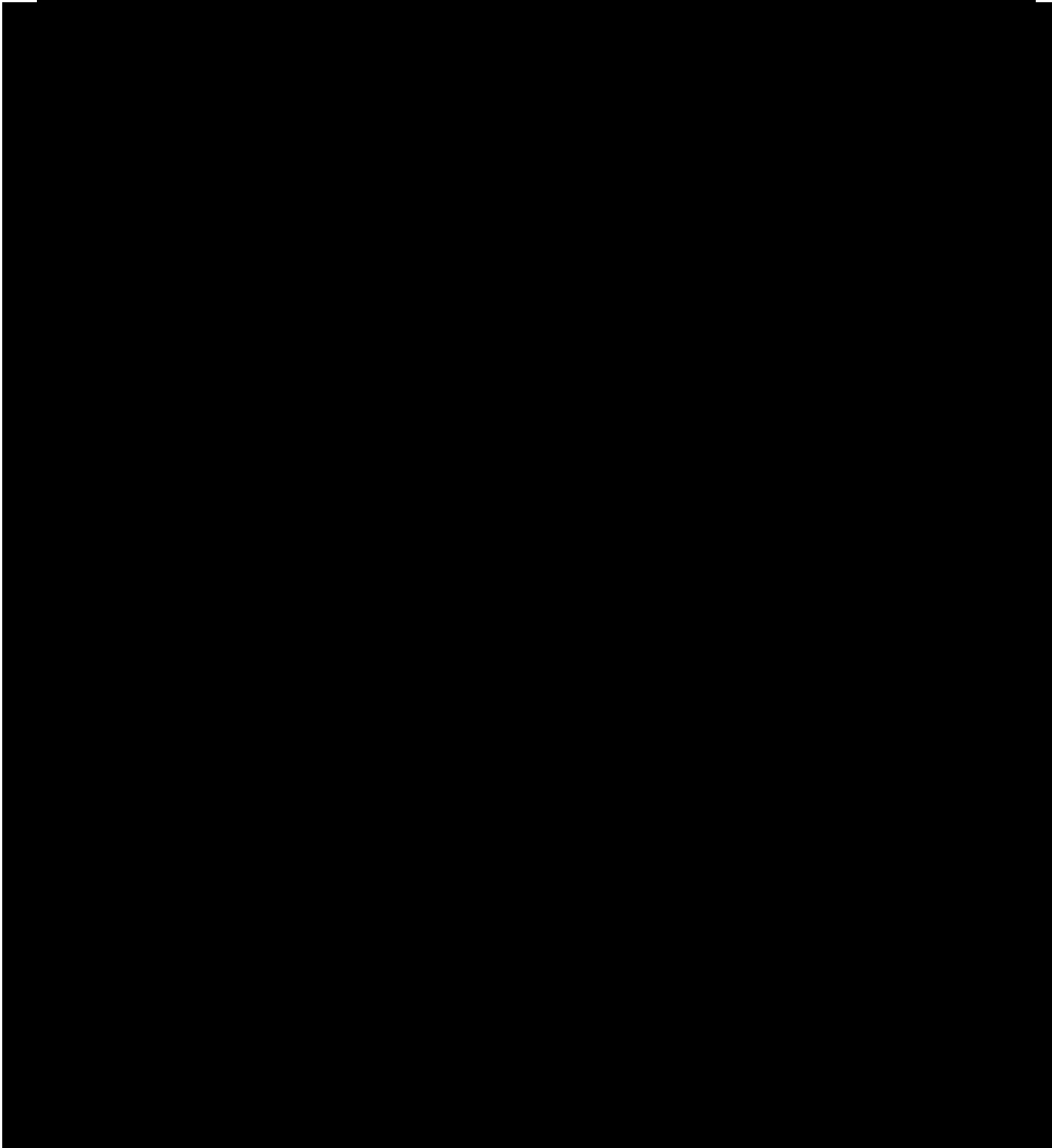
Subject	Description	Period
LoB:	Operations - Planning	
Dx Business Planning Controls Advisory for Forestry Program	Review and provide input to management pertaining to business planning controls for the Dx forestry program related to the Forestry Transformation Initiative Project	2018 Q1
Review of Sustainment of Underground/Submarine System	Review the effectiveness of the distribution sustainment program, specifically pertaining to underground/submarine system. The review will include the degree to which the sustainment program addresses risks associated with assets on the distribution system.	2018 Q2
Large Customers - Connection Costs Estimates and Control	Review the controls around the process of Tx, Dx and DG connection estimates and costs, from both financial and customer experience perspectives. Assess the effectiveness of how management identify requirements, maintain standard costs, prepare estimates, educate and inform customers and monitors the actual to budgeted connection variances.	2018 Q4
Dx Asset Management	Review the Dx Asset Management processes and controls, including asset maintenance and replacement programs, asset performance and reporting.	2019
Dx Business Planning Controls for the Forestry Program	Review and provide assurance that business planning controls for the Dx forestry program are in place and are effective and efficient.	2019
System and Asset Event Investigations	Review of controls to ensure consistent practices for event investigations (system and asset) and that identified mitigating actions are tracked to completion.	2019
Distribution System Reliability reporting to the OEB	Assurance Audit of Hydro One compliance with OEB Electricity RRR, after the process has been created and implemented + 6 months to 1 year. No sooner than Q3, 2019, no later than Q2, 2020	2019
Technical Standards	Review the effectiveness of processes and controls for managing of Technical Standards within Hydro One.	2020
Protection and Control Standards	Review the preventative maintenance of P&C systems affecting the reliability of the BES using PRC005-6 (Protection System, Automatic Reclosing, and Sudden Pressure Relaying Maintenance) as the baseline.	2020

Internal Audit Planning - 2018/2020


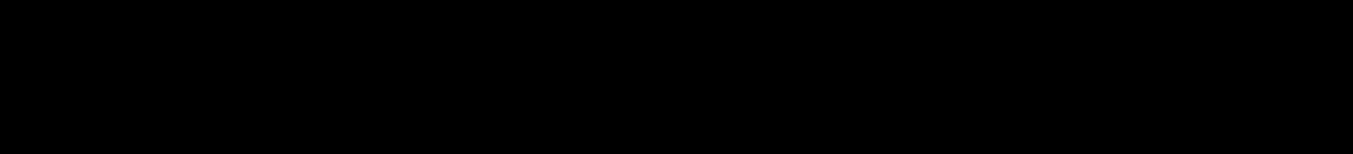
Subject	Description	Period
LoB:	Operations - System Operations	
Load Connections	Review controls (in the form of assumptions, existing design consideration protocols, operating controls) involved in load connection studies that impact Outage Planning.	2018 Q3
AMI/Smart Meter Strategy	Review to provide assurance that a AMI/Smart Meter strategy is in place and that it provides effective governance incl. effective coordination with multiple work streams that support associated programs and initiatives, and consideration to lifecycle aspects of smart meters and the AMI network.	2019
AMI/Smart Meter Management	Review controls around the management of the Advanced Meter Infrastructure (AMI) including smart meters and the smart meter network and Industry Canada testing.	2019
Distribution Reliability Management	Review strategy, processes and controls to provide assurance that controls are in place to support management's objective to improve distribution reliability.	2020
AMI/Smart Meter Security	Assess the security controls in place to protect the AMI network.	2020

Internal Audit Planning - 2018/2020

Subject	Description	Period
LoB:	Operations - Transmission and Stations	



Internal Audit Planning - 2018/2020

Subject	Description	Period
		
IROV - Interim Review of Variances assessment	Perform an assessment of the IROV process for effectiveness and adequacy.	2019
		

Internal Audit Planning - 2018/2020

Subject	Description	Period
Operations - Transmission and Stations (cont'd)		
[Redacted]		
[Redacted]		
Distribution Station Design/Build	Review of Dx station designs and installations and provide assurance that standards are utilized and consistently applied, quality assurance of design is in place and practices are cost effective.	2019
[Redacted]		

Internal Audit Planning - 2018/2020

Subject	Description	Period
LoB: Operations - Shared Services		
Brookfield facilities management - Billings review	Perform a substantive analysis of the costs billed by Brookfield to assess accuracy; completeness and identify potential opportunities for costs recovery	2018 Q2
Fleet Telematics - Post-Implementation Review	Assessment of achievement of value proposition, execution within time and budget, as well as quality requirements of the Fleet Telematics project	2018 Q2
Fleet Services - Outsourcing and Contract Management	Evaluate the adequacy of procedures related to the ongoing management of service providers, look at compliance to SLA's, and agreed on performance measures. Focus on ARI, light vehicles maintenance and helicopter service providers.	2018 Q3
Accounts Payable Review	Review of the accounts payable process, to ensure only authorized and legitimate payments are made. Review will be to assess the controls Inergi has in place to manage this process.	2019
Fleet Services - Parts and Rebuildables	Review of inventory management for spare parts and rebuildables specific to Fleet Services, to ensure cost-effectiveness, proper administration and recordkeeping.	2019
Fleet Services - Planning, acquisition and utilization	Review of the process to determine quantity, type, model and operational and safety requirements for new / replacement purchases of equipment and vehicles, including monitoring utilization of existing fleet and anticipating future needs.	2019
First Nations - Land Access and Permitting	Assess the effectiveness of controls in obtaining and maintaining access rights and permits for Hydro One assets on First Nations properties. Review controls around valuation of Real Estate on FN properties and assess their fairness and adequacy.	2019
Procurement	Review controls around the Procurement process, including an analytical review of payment transactions, the process around sourcing and awarding contracts (technical specifications, considerations to the life-cycle costs and vendor selection factors). Review the controls around compliance to the Supplier Code of Conduct.	2020
LoB: Strategy and Corporate Development		
Post-acquisition Assessment	Assess whether the initial strategic benefits supporting the acquisition were monitored and achieved	2020

Internal Audit Planning - 2018/2020

Subject	Description	Period
[Redacted Content]		

1 **Association of Major Power Consumers in Ontario Interrogatory # 51**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-06-01 Page: 3

10
11 **Interrogatory:**

12 a) Table 1 Total Distribution Depreciation and Amortization Expense: Please provide a table
13 that sets out the forecast compared to actuals for each of the years 2013 to 2017.

14
15 **Response:**

16 a) Please refer to Exhibit I-44-CME-39.



Hydro One Networks Inc.

**Request for Proposal
Cost Allocation Study
RFP Number 7000005537**



RFP Closing Date and Time
Monday March 23, 2015 Before 3:00:01 PM Toronto, Ontario, Canada

Hydro One Contact
Lynnette Harris
lynnette.harris@hydroone.com

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PART 1: OVERVIEW

1.1 Definitions

The following definitions apply:	
<i>Conflict of Interest</i>	means, but is not limited to, any situation or circumstance where, in relation to the performance of its obligations under the contract, the successful Proponent's other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or (ii) could or could be seen to compromise, impair or be incompatible with the effective performance of its obligations under the contract;
<i>Days and/or days</i>	shall mean calendar days;
<i>FIPPA</i>	means the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. F.31, as amended;
<i>Proponent</i>	means the party responding to the RFP;
<i>Proposal</i>	constitutes a Proponent's response or submission to the RFP;
<i>Purchaser and/or Hydro One</i>	may be used interchangeably herein and means Hydro One Networks Inc.;
<i>Unfair Advantage</i>	any conduct, direct or indirect, by the Proponent at the procurement/bidding stage that may result in gaining an unfair advantage over other parties in the procurement/bidding process, including but not limited to (i) possessing, or having access to, information in the preparation of its Proposal that is confidential to the Purchaser and which is not available to other competitors, (ii) communicating with any person with a view to influencing, or being conferred preferred treatment in, the procurement process, or (iii) engaging in conduct that compromises or could be seen to compromise the integrity of the procurement process and result in any unfairness, including, without limitation, conduct, agreement, or concerted practice between the Proponent and another company or person to, among other things, create a fake Proposal/bid/submission for comparative purposes, or require a competitor to refrain from bidding/submitting a Proposal, or require a competitor to bid/submit a Proposal in a certain manner, or share details about their bid/Proposal, including how they intend to bid/submit a Proposal; and,
<i>Work and/or work</i>	all labour, materials, Construction Equipment, equipment, appropriate documentation, structures, services, tools, supplies, and acts required to be done, furnished or performed by the successful Proponent under the contract.

1.2 Introduction

This RFP document and all Addenda are retrieved through the BID System. The Proposal is **not** accepted electronically through the BID System; Proposals are submitted to the Proposal Depository as detailed Section 1.8 - Submission Place and Deadline for Proposals. A detailed user guide to the BID System is included in Part 5 – Attachments and Hyperlinks.

This RFP consists of five parts as follows:

- Part 1: Overview
- Part 2: Commercial Terms & Conditions
- Part 3: Terms of Reference
- Part 4: Form of Submission
- Part 5: Attachments and Hyperlinks

Complete your Proposal in accordance with the above noted RFP documents.

1.3 Schedule

Event	Date/Time
RFP Issuance (Confidentiality Agreement Signoff Required)	March 6, 2015
Last Date for Receipt of Proponent-written Questions	March 16, 2015
Proposal Due Date and Time	Before 3:00:01 PM local time, March 23, 2015 in Toronto, Ontario, Canada
Expected Short-list Selection	Est. Week of March 30, 2015
Expected Short-list Proponent Presentations (if req'd)	Est. Week of April 6, 2015
Expected Successful Proponent Selection	Est. April 13, 2015
Expected Project Initiation/Start Date	ASAP following Award

1.4 Submission Details / Form of Response

Proponents are required to complete the Form of Submission (Part 4) and other requested documentation as part of the Proposal. In order to allow a consistent evaluation of the Proposals, it is required that information be presented in accordance with Part 4, and to the point, clearly, and completely.

This RFP document has been protected. By pressing the “Tab” key you will be directed to each section requiring a response and/or consideration of a response. Access to all hyperlinks and embedded documents is available in Part 5 - Attachments and Hyperlinks in an unprotected state for you to access the link or open the document.

You may not change any of the pre-printed information. All required sections are to be directly addressed and fully completed to permit Proposal evaluation. Hydro One is not obligated to seek clarifications.

All questions are to be addressed and answers are to be clear, concise, legible, typed or written in ink. Your Proposal must be signed, in ink, by a person or persons authorized to do so. Erasures, overwriting or strikeouts must be initialed by the person signing on behalf of the Proponent submitting the Proposal. Failure to comply with the foregoing may cause rejection of the Proposal.

All required attachments to be completed and included with your Proposal are to be attached as appendices and properly referenced. The Appendix number shall be referenced in your response to the applicable section in Part 4 and is to be included on the attachment itself.

All Proposals are to be in English only. Any Proposals received by the Purchaser that are not entirely in the English language may be **disqualified**. Any resulting contract will be in English only, at the express wish of both parties.

Toutes les propositions doivent être en anglais seulement. Toutes propositions reçues par l'acheteur qui ne sont pas entièrement dans la langue anglaise peuvent être **disqualifiés**. Le contrat subséquent sera en anglais seulement.

Where there are spaces provided, indicate **either “Yes” OR “No”** by clicking in the appropriate box as shown in the “example” below:

Yes	<input checked="" type="checkbox"/>	No	<input checked="" type="checkbox"/>
------------	-------------------------------------	-----------	-------------------------------------

Please do not cross out, shade nor highlight your answer, to allow clarity during evaluation of the submission.

IMPORTANT

Proponents are cautioned against delivering responses that are little more than standard company collateral or company brochures collected en masse into a binder. While this collateral may form an important ancillary Section of your response, they are not to replace clear, definitive correlation between the Proponent’s experience and services/material/equipment to be provided and the specific Hydro One business requirements. Such responses may be disregarded.

Please keep all responses clear, concise, and on subject. Back-up information can be included as an Appendix.

1.4.1 Unpriced Proposal, Pricing Matrix and Number of Copies

Proposals must be submitted in the following method:		
(a)	Unpriced Proposal	<p>Proposals shall include:</p> <ul style="list-style-type: none"> • one (1) original (ink) paper copy signed by an authorized representative, prominently marked “Original” (without the Pricing Matrix) and; • one (1) hard copy and; • one (1) electronic copy either CD or USB key (without the Pricing Matrix). <p>The Proposal Return Label should be affixed to the outside of the sealed package. The Proposal Return Label is included in Part 5 – Attachments and Hyperlinks.</p> <p>Failure to comply with the foregoing may cause your Proposal to be disqualified.</p> <p>The content of the paper copy Proposal (Part 4 completed) <u>shall be the same</u> as the electronic version Proposal (Part 4 completed). In the event of a conflict or inconsistency between the hard copy and the electronic copy of the unpriced Proposal, the hard copy of the unpriced Proposal shall prevail.</p>
(b)	Pricing Matrix	<p>Proponents must complete the Pricing Matrix – Attachment #6 as included in Part 5 – Attachments and Hyperlinks. The Pricing Matrix must be completed in its entirety, using the exact format provided in this RFP document package.</p> <ul style="list-style-type: none"> • one (1) hard copy of the completed Pricing Matrix must be inserted in a <u>separate sealed envelope</u>, inside the box or package containing your unpriced Proposal and the separate sealed envelope shall be clearly marked: <ul style="list-style-type: none"> RFP Document # 7000005537 Cost Allocation Study Proposal Appendix #6 Pricing Matrix Your Full Legal Company Name <p><i>Proponent Note:</i> Appendix # to be referenced in the envelope</p> <p>and;</p> <ul style="list-style-type: none"> • included in the same separate sealed envelope shall be one (1) electronic copy (unprotected) containing <u>the same content</u> of the paper copy Pricing Matrix. <p>Ensure you have completed all tabs/worksheets in the Pricing Matrix. Where no price applies, state ‘0’ or ‘nil’. Your Proposal may be disqualified if a price in any area of the Pricing Matrix is left blank.</p> <p>In the event of a conflict or inconsistency between the hard copy and the electronic copy of the Proponent’s Pricing Matrix, the hard copy of the Pricing Matrix shall prevail.</p> <p>In most instances Hydro One will evaluate the completed Pricing Matrix only after the determination that the Proposal is compliant based on passing all Mandatory Criteria, if applicable and after the evaluation of the other Rated Criteria (other than price). The Purchaser may, in its sole discretion, accept or reject any Proposal:</p> <ul style="list-style-type: none"> (a) that does not have a completed Pricing Matrix in a separate sealed envelope (and labeled as the Pricing Matrix along with the applicable RFP # and company’s Proposal Appendix #, or (b) that includes any material pricing information in the Proposal (completed Part 4 - Form of Submission).
(c)	Complete Submission	<p>A complete submission will include the unpriced Proposal and the separate, sealed, package containing the Pricing Matrix. The complete submission will be labeled and delivered to Hydro One as stipulated in Section 1.8.</p>

1.5 Submission Place and Deadline for Proposals

Your Proposals **must** be received **before** the time and date indicated in Schedule – Section 1.4 of this RFP. Proponents shall address their Proposal to:

Hydro One Networks Inc.

483 Bay Street, South Tower, **Ground Floor Reception**
Toronto, Ontario M5G 2P5

Attention: Proposal Depository – Ground Floor Reception
Reference: **RFP Document # 700005537**

Hours of operation for the Proposal Depository are: **Monday to Friday** (except for statutory holidays observed in Ontario), from **9:00 a.m. to 3:00 p.m.** Local Time in Toronto, Ontario, Canada.

Hydro One cannot guarantee Proposals will be able to be received and date and time-stamped outside of these hours of operation.

Proposals, and revisions to Proposals, received orally, by telephone, e-mail or by facsimile equipment, or after the specified Proposal due date and time, will not be considered.

The Proposal due date and time will be strictly adhered to.

The onus is on each Proponent to ensure their Proposal is received at the Proposal Depository – Ground Floor Reception at the above-noted address before the stipulated Proposal due date and time regardless of the method of delivery. Responses are deemed received when they are date and time-stamped. The Proposal due time and the local time in Toronto, Ontario, Canada will conclusively be deemed to be the time shown on the time-stamp clock used at the Proposal Depository – Ground Floor Reception for this purpose. It is each Proponent’s responsibility to ensure that their response is delivered and date and time-stamped before the Proposal due date and time. The Proponent should factor in that there may be delays or other conditions at the Proposal Depository that could delay the date and time-stamping of their Proposal, and that their own clock (and other clocks) may show a time different than the time-stamp clock used for receipt of Proposals, and this may result in their response being late. The Proponent is also cautioned that there could be a high volume of visitor traffic at the Reception Desk, which may cause delay in the time-stamping of the Proposal and result in a Proposal response being late.

1.6 The Purchaser’s Contact / Communications

Inquiries/questions or comments with respect to this RFP must be directed in writing to the Purchaser’s Contact - Lynnette Harris by e-mail at: lynette.harris@hydroone.com or Fax #416-345-6068 before the Last Date for Receiving Proponents’ Written Questions stated in section 1.4 above. Or by mail:

Hydro One Networks Inc.

Attn: Lynnette Harris
483 Bay Street, 6th Floor, South Tower,
Toronto, Ontario M5G 2P5

The Purchaser will provide Proponents with written responses to questions that are submitted before the Last Date for Receiving Proponents’ Written Questions stated in Section 1.4. Material questions and answers will be distributed in numbered Addenda to Proponents by posting such Addenda on the Purchaser’s SRM BID System. In answering a Proponent’s questions, the Purchaser will set out the question(s), but without identifying the Proponent that submitted the question(s) and may, in its sole discretion:

- (a) edit the question(s) for clarity;
- (b) exclude questions that are either unclear or inappropriate; and
- (c) answer similar questions from various Proponents only once.

Where an answer results in any change to the RFP, such answer will be formally evidenced through the issue of a separate Addendum for this purpose.

During the RFP period, no officer, agent, or employee of the Purchaser is authorized to alter orally, any portion of these documents. Any alterations will be issued as addenda and will be considered an integral part of the RFP.

Prior to award of the contract, any correspondence that may be required shall carry the Purchaser's RFP Document Number.

At the sole discretion of Hydro One, questions and the responses may be distributed to all the Proponents.

It is the responsibility of the Proponent to seek clarification from the Purchaser’s Contact on any matter it considers to be unclear. The Purchaser shall not be responsible for any misunderstanding on the part of the Proponent concerning this RFP or its process.

Proponent Note:

While we conduct the solicitation and evaluation of the Proposals, please do not contact any individual in Hydro One with respect to this requirement, other than the Purchaser's Contact.
Failure to comply with this requirement may cause your Proposal to be **disqualified**.

1.7 Evaluation Process and Criteria

1.7.1 Mandatory Criteria/Requirements

Mandatory requirements will be assessed on a pass/fail basis. Failure to meet the mandatory requirements will result in disqualification. A Proposal must include or conform with the following mandatory requirements:

- Proponent agrees to not take any action that would cause the Purchaser or any of its directors, officers, employees, agents, representatives, or business partners to be in breach of any of the obligations set out in Hydro One's corporate Code of Business Conduct.
- Confirmation of meeting any and all Mandatory Technical Requirements outlined in Part 3 – Terms of Reference.
- Acknowledgement, Agreement and Acceptance of the Terms and Conditions within Part 1 – Instructions to Proponents.
- Your Proposal submission must be received at the Proposal Depository before the date and time stipulated in Section 1.4 and at the location stipulated in Section 1.6. Late Proposals will be returned unopened.

In addition to the above Mandatory Requirements each Proponent must declare in Part 4 – Form of Submission whether it has an actual or potential Conflict of Interest or Unfair Advantage.

Where, in its sole discretion, the Purchaser concludes that an Unfair Advantage and/or Conflict of Interest arises or where the Purchaser discovers a Proponent's failure to disclose all actual or potential Conflicts of Interest or Unfair Advantage, it may, in addition to any other remedy available to it at law or in equity, **disqualify** the Proponent's Proposal, or terminate any contract awarded to the Proponent pursuant to this RFP.

1.7.2 Rated Criteria

Evaluation of the proposals will be based on, but not limited to, the following criteria:

- i) Compliance with Hydro One's Code of Business Conduct.
- ii) Evidence of good standing with WSIB.
- iii) Compliance with insurance requirements.
- iv) Compliance with all other Commercial Conditions as outlined in the "Commercial Terms and Conditions" attached as Part 2 to this RFP.
- v) Compliance with security requirements.
- vi) Viable business in existence for a minimum of 3 years.
- vii) Cost, terms of payment and other aspects of the relationship that concerns financial arrangements.
- viii) Ability to meet delivery schedule requirements.
- ix) Compliance with Hydro One's need to retain ownership of all work products.
- x) Proven expertise and experience of company.
- xi) Proven experience of proposed personnel.
- xii) Proven ability to have qualified personnel in place to undertake the project.
- xiii) Details of similar work successfully completed in the past.
- xiv) Ability to fully address issues and requirements within the Terms of Reference.
- xv) Proven experience and understanding in a Regulatory environment in North America, (preference will be given for experience in the Ontario regulatory environment).
- xvi) Experience as an Expert Witness before a Regulatory Body.
- xvii) Proven experience in support of Demonstrated clear understanding of Hydro One's requirements (including, but not limited to – regulated electricity industry, regulatory accounting, proposed project team, proposed project methodology, work plan, deliverables including recommendations and analysis).
- xviii) Understanding of the impacts of the HST for businesses.
- xix) Demonstrates awareness and understanding of Canadian and US GAAP and IFRS.
- xx) Proposed Pricing structure/Matrix.

All submissions received will be evaluated against the criteria listed. Proponents are encouraged to provide a cost-effective Proposal, detailing the services/material/equipment to be provided and any other contribution to support the requirements

defined in the RFP documents. The onus is on each Proponent to ensure that its Proposal is complete and comprehensive in all respects to enable Hydro One to properly assess and evaluate the Proponent's capabilities and competence in relation to the scope of work. To that end, please submit any additional information that supports the required capabilities identified in Part 3: Terms of Reference.

If a Proposal contains a defect or fails to comply in some way with the requirements of this RFP, which in the sole and absolute discretion of Hydro One is not material, Hydro One may waive the defect or non-compliance and accept the Proposal for purposes of evaluation.

1.7.3 Stages of Evaluation Process

The evaluation of the Proposals will be conducted by the evaluation team (the "Evaluation Team") in several stages, as described below. The Purchaser will determine the membership of the Evaluation Team, in its sole discretion, which may include external consultants and advisors.

The Purchaser will conduct the evaluation of Proposals in the following stages:

Stage I - Review of Mandatory Requirements (Pass / Fail)

Stage I will consist of a review to determine which Proposals comply with all of the mandatory requirements. Proposals, which do not comply with all of the mandatory requirements, will be **disqualified** and not evaluated further. All qualified Proposals (those complying with all of the mandatory requirements) will advance to Stage II.

Stage II – Evaluation of General Requirements

Stage II will consist of a scoring by the Purchaser of each qualified Proposal on the basis of the General Requirements rated criteria. A short list of Proposals based on the General Requirements rated criteria will be developed. Only short-listed Proposals will advance to Stage III and be considered for an award.

Stage III – Evaluation of Pricing / Total Evaluated Cost

Upon completion of Stage II the sealed pricing envelope provided for each qualified Proposal will then be opened and Stage III will consist of a scoring of the pricing submitted. Pricing will be scored based on a pricing formula established by the Evaluation Team on the basis of the information provided in the Proponent's completed Pricing Matrix (form included in Part 5 – Attachments and Hyperlinks).

1.7.4 Cumulative Score

At the conclusion of Stage III, all scores will be added and the highest scoring Proponent ("Preferred Proponent") will be selected to enter into a contract in accordance with Part 2 – Commercial Terms and Conditions.

In the event that the Preferred Proponent fails or refuses to execute the contract within 14 Days from being notified of its position as the Preferred Proponent, the Purchaser may, in its sole discretion:

- (d) extend the period for concluding the contract, provided that if substantial progress towards executing the contract is not achieved within a reasonable period of time from such extension, the Purchaser may, in its sole discretion, terminate the discussions;
- (e) exclude the Preferred Proponent's Proposal from further consideration and begin discussions with the next highest-ranked Proponent without becoming obligated to offer to negotiate with all Proponents; and
- (f) exercise any other applicable right set out in this RFP, or available in law including but not limited to, cancelling the RFP and issuing a new RFP for the same or similar services. The Purchaser may also cancel this RFP or exclude the Preferred Proponent from further consideration in the event the Preferred Proponent fails to obtain any of the permits, licenses, surety bonds, other types of security and/or approvals required pursuant to this RFP.

1.8 RFP Process / Debriefings

Proponent note: The hyperlinks included herein are available for opening in Part 5 – Attachments and Hyperlinks.

Unsuccessful Proponents will be provided with notification of award in writing and/or by following the appropriate links to Tenders and Proposals – Awards at www.HydroOne.com.

Proponents may request a debriefing after notification of award. All requests must be in writing to the Purchaser's Contact stipulated in Section 1.8 of this Part 1 and must be made within sixty (60) days of notification of award. The intent of the

debriefing information session is to aid the Proponent in presenting a better submission in subsequent procurement opportunities. Any debriefing provided is not for the purpose of providing an opportunity to challenge the procurement process.

1.9 Confidentiality / FIPPA

Hydro One reminds Proponents that the terms and conditions of the Confidentiality Agreement signed prior to the release of this RFP, Attachment #4 – Previously Executed Confidentiality Agreement in Part 5 – Attachments and Hyperlinks, will apply to the full content of this RFP and material provided through the RFP process. Without derogating from the terms of the said Confidentiality Agreement, Hydro One hereby informs Proponents as follows:

- (a) All requirements, documentation and information obtained by Proponents in connection with this RFP are the property of Hydro One, must be treated as confidential, and not used for any purpose other than for preparing your Proposal and replying to this RFP, and for fulfillment of any subsequent contract(s), if awarded.
- (b) Should you choose not to participate in this RFP process, please destroy all electronic and paper forms of this RFP.
- (c) Any confidential information supplied to the Purchaser by the Proponent may be disclosed by the Purchaser where it is obligated to do so under FIPPA, by an order of a court or tribunal or pursuant to a legal proceeding. The provisions of this section apply to all Proponents and shall survive the RFP process.

1.10 Intentionally Deleted:

1.11 Intentionally Deleted:

1.12 Disclaimer

- (a) Hydro One reserves the right, in its sole and absolute discretion, to award the RFP to:
 - (i) more than one Proponent;
 - (ii) make a partial award;
 - (iii) modify, cancel, postpone, withdraw, or re-issue this RFP at any time, whether before or after Proposals have been submitted, and for any reason whatsoever without any obligation or reimbursement to any of the Proponents of any monies, whether or not a Proponent's Proposal contains all required information and whether or not the Proposal is properly completed or submitted;
 - (iv) waive procedural/technical defects, irregularities, exceptions, or omissions in the Proposal if, in doing so, the best interests of Hydro One will be served;
 - (v) negotiate any Proposal with a Proponent without reference to any other Proponent or Proposals.
- (b) Hydro One shall in no way be committed to accept the lowest Proposal or any Proposal and shall not be required to give any reason for its decision. Each Proponent agrees that the exercise of any right described herein shall be without liability on the part of Hydro One for any damage or claim brought by a Proponent because of same, nor shall any Proponent seek recourse of any kind against Hydro One because of same. Hydro One may, at its sole and absolute discretion, modify, delay, cancel, postpone, or withdraw this RFP and re-issue other RFPs (or proceed with another procurement process) for same or similar Work.
- (c) The costs and expenses for the preparation and submission of a Proposal and all other cost and expenses incurred by any Proponent relating to this RFP, and the process related thereto, shall be borne by that Proponent. Hydro One shall not be liable to pay for such costs and expenses or to reimburse or compensate a Proponent in any manner whatsoever or under any circumstances including, without limitation, in the event of rejection of any or all Proposals, or the modification, cancellation, postponement, withdrawal, or re-issuance of this RFP, or if Hydro One proceeds with another procurement process for same or similar work.
- (d) All requirements and conditions imposed by the RFP documents are for the benefit of Hydro One. They are not to be construed as undertakings or obligations on the part of Hydro One with respect to their enforcement. Hydro One will not be liable for any verbal information or advice or any errors or omissions which may be contained in this RFP. Hydro One makes no representations or warranties either express or implied, with respect to the accuracy or completeness of this RFP and Hydro One shall not be responsible for any action, cost, loss or liability arising from the Proponent's reliance or use of this RFP.
- (e) The Proposals solicited are solely for the benefit of Hydro One, and Hydro One does not make any claims or promises whatsoever that the final award will be based on any perceived or assumed.

- (f) All requirements, documentation and information obtained by the Proponents in connection with the RFP are Hydro One's property and must be maintained in confidence and shall not be used for any purpose other than for replying to the RFP, and for fulfilment of any subsequent contract(s) if awarded.
- (g) Without limiting the generality of the provisions of all sections of this Part 1, Hydro One reserves the right to disqualify from submitting a proposal, or refuse to award to:
- (i) An individual or partnership, or
 - (ii) An individual or partnership who was a shareholder or officer of a corporation, or
 - (iii) A corporation, or
 - (iv) A corporation with a shareholder or officer, or
 - (v) A corporation that has a shareholder or officer who is also a shareholder or officer of another corporation that has, in the twenty-four (24) months prior to the Proposal due date, or at any time between the Proposal due date and the date of award;
 - A. had a bid bond retained, or had all or part of a performance bond retained, or breached a contract with Hydro One or one of its affiliates; or
 - B. failed to complete its obligations under any prior contract with Hydro One or one of its affiliates; or
 - C. conducted itself under a prior contract with Hydro One in a manner that, in Hydro One's reasonable opinion, did not meet the highest standards of integrity, ethics, and business practices; or
 - D. was involved, or is now involved, in a legal proceeding, dispute, or threatened dispute, with Hydro One, whether or not the Proponent believes the said proceeding, dispute, or threatened dispute is with merit.

The foregoing does not apply where the shareholder holds shares of a publicly-traded company that offers its registered securities to the general public and the shareholder holds an insignificant interest in the stock of that company, not to exceed a total of five per cent of the outstanding stock of the company.

- (h) Hydro One may, in its sole and absolute discretion, choose to meet with one or more of the Proponents to discuss aspects of their Proposal. Hydro One may require one or more Proponents to submit supplementary documentation clarifying any matters contained in their Proposal, and the supplementary documentation accepted by Hydro One shall form part of the Proposal of such Proponents.
- (i) This document is the sole property of Hydro One and shall not be reproduced or distributed in whole or in part for any other purpose other than that for which it is intended, i.e. submission of Proposal and submission of work. All other use of this document or portion thereof shall require the prior written approval of Hydro One.
- (j) The Proponent submitting a Proposal(s) agrees that all rights, title and interest, including copyright ownership, to all information and material that may be provided to the Proponent by Hydro One or otherwise obtained by the Proponent relating to the RFP or in the Proponent's supply of Work if it is the successful Proponent, shall remain the property of Hydro One. All such information and material and any copies thereof shall be returned to Hydro One upon request. The Proponent further agrees to maintain all information and material that may be provided to the Proponent by Hydro One or otherwise obtained by the Proponent in relation to the RFP or in the course of supplying the Work, if the Proponent is the successful Proponent, in strict confidence and to disclose the said information and material only to those of its employees having a need to know same and who have undertaken a like obligation to maintain its confidentiality. The Proponent agrees neither to reproduce or disclose or distribute the said information and material to any other third party and not to use the said information and material for any purpose other than as specifically contemplated herein without Hydro One's prior written consent.
- (k) In no event shall Hydro One be responsible for any losses or damages of the Proponent that are indirect, consequential, punitive, or for economic loss, loss of revenues, loss of profits, penalties, or fines, including without limitation as a result of the Purchaser accepting a non-compliant bid; accepting a bid that does not meet one or more mandatory provisions; disqualifying a bid that meets all of the mandatory provisions; accepting a bid from an ineligible bidder; failing to accept or disqualifying a compliant bid; failing to adhere to its stated evaluation criteria; failing to adhere to its specifications, scope of work, or terms of reference; cancellation, delay, or amendment of the RFP process; commencing a similar RFP process or proceeding with another method of procurement; making a partial award; awarding to more than one Proponent; seeking or failing to seek a clarification on any Proposal; awarding to a bidder other than the lowest bidder; correcting any evaluation errors; failure to conduct a fair process; negotiating with any Proponent without reference to any other Proponents or Proposals; waiver or failure to waive procedural or technical defects, irregularities, exceptions, and omissions in bids; accepting a late bid; or failing to accept a bid submitted on time; refusing to accept a bid submitted to an incorrect location; accepting a bid that was submitted to an incorrect location; or inability or unavailability to accept the submission of a proposal.

- (l)** Subject to all other exclusions and limitations anywhere in the RFP documents, Hydro One's maximum liability in the event of any loss or damages due in whole or in part to the Hydro One's act or omission, including, without limitation any negligence, willful misconduct, breach of any statutory or other duty of care, or breach of contract, shall not exceed one thousand dollars (\$1,000).
- (m)** The Proponent confirms that it has had an opportunity to review the RFP documents and obtain legal advice in respect thereto.

By submitting a Proposal to the Purchaser, each Proponent acknowledges, agrees with and accepts the terms and conditions of all clauses in this Part 1 - Overview, and agrees to the adequacy of the RFP and the process described herein for the intended purpose. The acknowledgement, agreement and acceptance of the terms and conditions within this Part 1 - Overview is mandatory and any revisions by the Proponent to any clauses found within this Part 1 - Overview will not be accepted, nor will any alternate terms and conditions submitted by the Proponent be accepted. In particular, by submitting a Proposal, each Proponent agrees to any terms that exclude or limit Purchaser's liability in connection with this RFP. These provisions for the benefit of Hydro One may not be waived.

PART 2: COMMERCIAL TERMS AND CONDITIONS

Part 2 of the RFP document comprises:

- 2.1 Special Terms and Conditions - Supplemental to A-29-2011 (October 2011)
- 2.2 Insurance Requirements
- 2.3 Contract Standard A-29-2011 (October 2011)

To the extent of any conflict or inconsistency, Section 2.1 – Special Terms and Conditions take precedence over Section 2.3 – Standard Commercial Conditions for Consulting and Professional Services, Contract Standard A-29-2011 (October 2011). In the Special Terms and Conditions and Contract Standard A-29-2011 (October 2011) the successful Proponent under the RFP shall be referred to as the Consultant.

To the extent of any conflict or inconsistency, Section 2.2 – Insurance Requirements take precedence over Section 2.1 – Special Terms and Conditions and Section 2.3 – Contract Standard A-29-2011 (October 2011). In the Insurance Requirements the successful Proponent under the RFP shall be referred to as the Consultant.

2.1 Special Terms and Conditions – Supplemental to Contract Standard A-29-2011 (October 2011)

Capitalized terms not defined under the Special Commercial Terms and Conditions shall have the same meaning ascribed to them under A-29-2011 (October 2011), unless otherwise expressly stipulated. The provisions of these Special Terms and Conditions shall prevail over any provisions under A-29-2011 to the extent of any conflict or inconsistency.

2.1.1 Security / Safety Measures

A-29-2011 (October 2011) Section 29 is hereby amended as follows:

- 29 (a) (i) Delete the words “Personnel Risk Assessment Form”, and replace with “Personnel Risk Assessment”
- 29 (b) (ii) Delete the words “Personnel Risk Assessment Form”, and replace with “Personnel Risk Assessment”

2.1.2 Notices

A-29-2011 (October 2011) Section 32 is hereby amended as follows:

Delete the words “15th floor, North Tower”, and replace with “8th floor, South Tower”.

2.1.3 Expiry and Extension of Contract

The Contract shall expire on the original expiry date, unless the Purchaser exercises its option to extend the Contract for a period of up to 2 years (2, 1 year extension options), such extension to be upon the same terms (including the prices/rates in effect at the time of extension), conditions and covenants contained in the Contract, excepting the option to extend. The option shall be exercisable by the Purchaser giving notice to the Vendor. The notice shall set forth the precise duration of the extension.

2.1 Insurance Requirements

When used in these insurance provisions, the term “Consultant” shall mean the Purchaser’s opposite party, whether described as the Company, Contractor or otherwise in this agreement. The Consultant agrees to provide and/or cause its sub consultants to provide and maintain in full force and effect with financially responsible insurance carriers, the following insurance which shall take effect as of the date of this agreement and shall remain in effect during the term hereof or any extension thereof or as otherwise specified herein:

2.1.1 Automobile Liability Insurance

Automobile Liability Insurance, covering all licensed vehicles owned, **(and non-owned auto for policies written in U.S.)**, rented or leased and used in connection with the Work to be performed under this agreement. Coverage shall include Bodily Injury and Property Damage Liability, mandatory Accident Benefits and if applicable attached machinery, to a combined inclusive minimum limit of **\$5,000,000**. To achieve the desired limits, Excess or Umbrella coverages may be used.

2.1.2 Commercial General Liability Insurance

Commercial General Liability Insurance with limits of **\$5,000,000** inclusive for both bodily injury, including death, personal injury and damage to property, including loss of use thereof, for each occurrence. To achieve the desired limits, Excess or Umbrella coverages may be used. Coverage shall specifically include but not be limited to the following:

- Blanket Contractual Liability;
- Damage to property of the Purchaser including loss of use thereof;
- Liability arising out of unlicensed equipment
- Pollution Liability coverage on at least a Sudden and Accidental basis
- Products & Completed Operations to be continuously maintained through the operational liability insurance;
- Employer's Liability;
- Non-Owned Automobile Liability; **Not applicable where company's auto liability insurance covers non-owned autos as in U.S. policies;**
- Broad Form Property Damage;
- XCU endorsement **(if applicable to the services being provided under the contract);**
- Blasting **(if applicable to the services being provided under the contract).**

2.1.3 Errors and Omissions Insurance

If Consultant provides any design, engineering, contract management or other professional services and its professional errors or omissions could result in loss, damages to, or claims against, the Purchaser, then the Consultant shall carry **\$2,000,000** per occurrence and in the annual aggregate of Errors and Omissions Insurance with insurers satisfactory to the Purchaser and shall ensure that such policy or policies do not exclude any liability that could result from its professional errors or omissions in connection with the Work. Without limiting the generality of the foregoing, the policy will not contain a design/build exclusion if the Consultant is carrying out designing and building activities in connection with this contract. Coverage shall remain in effect for no less than 3 years following final completion of Work.

2.1.4 Worker Compensation

Consultant and/or its sub consultants shall qualify under and shall satisfy all the workers compensation laws of all jurisdictions in which the "Work" and any portion of the Work is to be performed and any other applicable provisions of said laws. **(Note: For U.S. employees, appropriate State Workers Compensation must be carded including Employees Liability for a minimum limit of \$1,000,000 U.S., with a Foreign Coverage Endorsement and, to the extent applicable, Jones Act and U.S. Longshoreman's and Harbor Workers coverage and FELA).** The Consultant, upon commencement of any work at the site, shall submit a list of all employees who will be employed at the site.

2.1.5 Intentionally Deleted

2.1.6 Certificates of Insurance

In accordance with the provisions herein, the Company will supply and cause its subcontractors to supply Purchaser a certificate of insurance completed by a duly authorized representative of their respective insurers certifying that at least the minimum coverages required here are in effect and that the coverages will not be cancelled, restricted or reduced without 30 days advance written notice by registered mail, receipt required, to:

Hydro One Networks Inc.
Attn: Lynnette Harris
483 Bay Street, 6th Floor, South Tower,
Toronto, Ontario M5G 2P5

(with copy to

Hydro One Inc., Risk & Insurance Department
483 Bay Street, TCT 07, South Tower
Toronto, Ontario. M5G 2P5

- (a) Failure of Purchaser to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Purchaser to identify a deficiency from evidence provided will not be construed as a waiver of the Consultant obligation to maintain such insurance. No one acting on behalf of the Purchaser has any authority to waive

the any insurance requirement herein, unless done so by making specific reference to the provision being affected, and done so in a written instrument signed by hand (and not electronically) by the Purchaser's authorized signing authority.

- (b) The Purchaser's acceptance of delivery of any certificate of insurance evidencing the required coverages and limits does not constitute approval or agreement by the Purchaser that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements.
- (c) The Consultants failure to maintain the required insurance, or to provide such certificate or other evidence of full compliance with these insurance requirements, as set forth here may result in termination of this contract at Purchaser's option.
- (d) If any of the coverages are required to remain in force after final payment, an additional certificate evidencing continuation of such coverage will be submitted with the Consultants final invoice.
- (e) Certificates of insurance are required to be provided prior to the work beginning.
- (f) All deductibles shall be to the account of the Consultant and/or its sub Consultants.
- (g) With the exception of Automobile Liability Insurance, all insurance noted above shall specify that it is primary coverage and not contributory with or in excess of any other insurance that may be maintained by Purchaser.
- (h) All limits and deductibles are expressed in Canadian dollars.
- (i) Purchaser shall be included as an Additional Insured under coverages noted in Commercial General Liability and Excess/Umbrella Liability but only with respect to their rights and interest in the operations of the Consultants and shall be added a Loss Payee as Purchaser's interest may appear, under coverage All Risks' Installation Floater.
- (j) Coverages noted in Commercial General Liability and Excess/Umbrella Liability shall contain a Cross Liability clause and a Severability of Interests clause.
- (k) Coverage provided for the Purchaser shall not be invalidated or vitiated by actions or inactions of others.
- (l) The aforementioned insurance requirements shall be in force prior to the commencement of services under the contract and shall remain in force during the entire term of the contract. Notwithstanding anything else in the contract:
 - (i) the Consultant shall not commence providing the said services prior to the Purchaser's receipt of a valid Standard Insurance Certificate evidencing compliance with all terms of this clause;
 - (ii) if the required insurance coverage expires during the Contract term the Consultant shall ensure that replacement insurance coverage as required above shall be in place immediately so that coverage shall be continuously maintained ; and the Consultant shall provide a renewal certificate within 14 days of expiration evidencing continued compliance with all terms of this clause.

2.2 Contract Standard A-29-2011 (October 2011)



A-29-2011 (October
2011).pdf

Proponents Note: This Contract Standard A-29-2011 (October 2011) is available for opening in Part 5 – Attachments and Hyperlinks.

PART 3: TERMS OF REFERENCE

3.1 Background

Hydro One Inc. is a holding company with subsidiaries that operate in the business areas of electricity, Transmission and Distribution (“T&D”), and telecom services. Hydro One Inc. is wholly owned by the Province of Ontario and our T&D businesses are regulated by the Ontario Energy Board (“OEB”). Our industry, including our company, is governed within the broad legislative framework of the Electricity Act and the OEB Act.

Hydro One Networks Inc. (“Hydro One”) represents the majority of Hydro One Inc. business. As stewards of the Province’s electricity grid, our core role is to provide safe, reliable and cost-effective electricity transmission and distribution and to connect clean and renewable sources of generation to the province’s electricity grid.

Hydro One is the largest electricity transmission and distribution company in Ontario. We own and operate substantially all of Ontario’s electricity transmission system, accounting for approximately 96.6% of Ontario’s transmission capacity based on the revenue approved by the OEB. Based on assets, our transmission system is one of the largest in North America and our distribution system is the largest in Ontario.

The following link can be found and accessed in Part 5 - Attachments and Hyperlinks. In this website, information about Hydro One Inc. and its subsidiaries is available.

Website: <http://www.hydroone.com/OurCompany/Pages/QuickFacts.aspx>

3.2 Objectives

Hydro One is conducting a selection process for an external consulting firm to conduct a common cost allocation study and a common asset allocation study. In addition, Hydro One will require the successful proponent to conduct and prepare an overhead capitalization methodology. The Company is seeking a firm of competent and committed professionals, to provide such studies, as well as the ability to testify to the proposed methodology in an OEB proceeding. Interested parties should include in their submission a proposed timeline that includes milestones and proposed schedule of time spent with Hydro One personnel.

The ultimate objective of the project is to successfully select an external consultant that will review corporate shared resource levels (both common costs and common assets) and to recommend appropriate cost allocation methodology and rates to meet the requirements of the Company and its subsidiaries, as well as other stakeholders such as the OEB. The proposed methodology must comply with OEB precedent and also comply with relevant provisions of the Affiliate Relationship Code for Electricity Distributors and Transmitters. Therefore, the external consultant should not only be familiar with the regulatory environment but also have experience before regulatory bodies in Ontario or North America.

Hydro One will be preparing a new Business Plan for the 2016 -2020 period that is expected to be approved by the Hydro One Board of Directors in November 2015. This Business Plan will be the basis of the 2017/2018 Transmission rate application which is expected to be submitted to the OEB in Q1 2016. The results of the required study will be used in the preparation of this Business Plan.

3.3 Scope of Work

- Recommend a best practice methodology to distribute Hydro One Inc.’s Common Corporate costs and assets among the business units that use the functions and services. This recommendation could include the continuation of the existing methodology, the continuation of the existing methodology with modifications or the proposal of a new methodology.
- Recommend a best practice methodology to distribute an appropriate amount of Hydro One Inc.’s Common Corporate costs to Capital Expenditures through the overhead capitalization rate. This recommendation could include the continuation of the existing methodology, the continuation of the existing methodology with modifications or the proposal of a new methodology or elimination entirely of an overhead capitalization methodology.

- Prepare a Report of the recommended Common Corporate Costs and Assets Methodology to be used in future rate applications. This report will include a conclusion, definitions, a summary of every factor used in the methodology and the proposed methodology.
- Prepare a Report of the recommended Overhead Capitalization Methodology to be used in future rate applications. This report will include a conclusion, definitions, a summary of every factor used in the methodology and the proposed methodology.
- Identify the functions and services included in the Common Corporate costs
- Identify activities that are performed in order to provide the functions and services included in the Common Corporate costs
- Determine which Common Corporate functions can distribute cost directly, which units can have cost distributed using time studies and which units require allocations using drivers and why.
- Propose and analyze all drivers used for allocation.
- Propose, analyze and perform all time studies required.
- Distribute the 2016, 2017 and 2018 budgeted cost to perform each function and service among the activities required to perform it, based on time and/or cost studies
- Distribute the cost of each activity among the business units based on direct assignment when possible, and based on cost drivers when not
- Prepare responses to Interrogatories from Intervenors during a rate application relating to the proposed Cost Allocation methodology.
- Be available to testify to the proposed methodology during a future rate application.

In support of the successful Proponent's work, Hydro One's management will respond to all requests for basic information and/or supporting documentation.

3.4 Mandatory Technical / Project Requirements

The successful proponent should have a reasonable understanding of various financial accounting frameworks and standards including: Pre-Changeover Canadian Generally Accepted Accounting Principles (i.e. CICA Handbook part V), U.S. GAAP, and International Financial Reporting Standards (IFRS). The successful proponent will also have an appreciation for the IFRS modifications that the Ontario Energy Board (OEB) proposes to apply in using this accounting framework in the regulation of Ontario rate regulated enterprises. The OEB EB-2008-0408 report on the transition to IFRS is available on the OEB web site http://www.oeb.gov.on.ca/OEB/_Documents/EB-2008-0408/IFRS_Board_Report_20090728.pdf. Proponents are advised to review previous Hydro One rate applications and applicable studies which can be found at:

<http://www.hydroone.com/RegulatoryAffairs/Pages/Regulatory%20Affairs.aspx>

3.4.1 Schedule / Required Completion

The deadline for the completion of the methodologies is June 30th, 2015. This deliverable is a review of the current methodologies with an update reflecting currently available data.

Final reports for Common Corporate costs allocation, Common Corporate assets allocation and Overhead Capitalization Methodology reflecting the current Business Plan and including both the Distribution and Transmission businesses in the same report, to be completed by October 1, 2015.

3.5 Approach / Methodologies

Hydro One utilizes a centralized shared services model to deliver its common services. This serves as the most economic approach. Accordingly, common services are provided to the Transmission and Distribution businesses of Hydro One Networks and to other Hydro One subsidiaries on a centralized basis.

The costs of these services and assets are assigned to business units and subsidiaries on the basis of cost causation. These costs and assets are directly assigned where it is possible to do so. All other costs are allocated based on cost drivers, direct benefits or other methods as appropriate.

The Common Corporate Costs OM&A programs include the provision of Corporate Common Functions and Services (“CCF&S”), Asset Management, Information Management Services, and Operating programs to support the Hydro One Networks Distribution and Transmission business.

Similar to the common corporate costs, Hydro One has been able to maximize efficiencies through the centralization of the maintenance, management and purchase of shared assets at the corporate level. These assets include shared land and buildings, telecommunication equipment, computer equipment, applications software, tools and transportation and work equipment (“T&WE”).

Hydro One Networks previously commissioned studies to recommend appropriate allocation methods for the assignment of these costs. The study was presented for examination during the Company’s 2006 Distribution Rates proceeding, RP-2005-0020/EB-2005-0378 and was accepted by the OEB as an appropriate methodology for allocating costs amongst the subsidiaries and Networks businesses. Updates by B&V to the cost allocation report, specific to the Distribution and Transmission businesses, were accepted by the OEB during the EB-2007-0681 Distribution Rate Proceeding as well as the EB-2006-0501 and EB-2008-0272 Transmission Rate Proceedings. In 2009, B&V reviewed and confirmed that Hydro One applied the OEB-accepted methodology to its Business Plan 2010-2014 data for its 2010/2011 Distribution Rate Filing EB-2009-0096 and its 2011/2012 Transmission Rate Filing EB-2010-0002, and the results reflect a consistent allocation of these common corporate costs and shared assets; this was accepted by the OEB in its Decisions in those proceedings. Similarly, in 2012 B&V provided a Review of Shared Services Cost Allocation for the EB-2012-0031 Transmission rate application for 2013 and 2014 rates. In 2013, B&V provided a further update to the review of common costs for Distribution for the EB-2013-0416 application for 2015 – 2019 distribution rates. In 2014, B&V provided a further update to the review of common costs for Transmission for the EB-2014-0140 application for 2015 & 2016 transmission rates.

3.6 Deliverables

Report of the recommended Common Corporate Costs and Assets Methodology.

Report of the recommended Overhead Capitalization Methodology to be used in future rate applications.

3.7 Roles and Responsibilities / Quality / Expertise Requirements

Hydro One management expects a high quality engagement team with substantial knowledge and experience in the regulated electricity industry. We also expect that the engagement partner selected to serve Hydro One is a senior member of the firm, capable of committing the firm. Consequently, resumes of the proposed engagement team should be included with the proposal and the key members of the engagement team should attend the presentation. It is also expected that additional resources will be available beyond the engagement team, as needed.

Hydro One management expects to be served by a firm that has professional credibility in Hydro One’s industry and knowledge of the issues affecting Hydro One. A representative list of clients in Hydro One’s industry, including the types of services rendered, should be provided. Firm wide expertise and local expertise should be differentiated.

Hydro One expects that the successful Proponent will have relevant experience in performing and/or testifying to cost allocation studies that have been used by regulated entities either in Ontario or North America. The proponent will also have relevant experience and knowledge of regulatory accounting.

Hydro One management expects to pay competitive fees for external consultation services. The annual fee quote should include estimates for routine, out-of-pocket expenses. Consulting hours by area, professional level, and average billing rates should be included in the proposal. Please also outline the circumstances and processes for adjustment to the base fee. Competitive flat fee structures are required.

PART 4: FORM OF SUBMISSION

Notes:

- (a) Capitalized terms not defined herein shall have the same meaning ascribed to them in the Bid Invitation Letter of this RFP.
- (b) The “Proponent”, “Contractor”, and “Company” are the same party.
- (c) In order to allow a consistent evaluation of the Proposals, you must complete your response on the form provided as the Form of Submission (Part 4). Responses are to be to the point, clear, and complete. You may insert additional lines on the electronic document to provide sufficient space for your complete response; however, you may not change any of the pre-printed information. All requested sections must be directly addressed and fully completed to permit evaluation. Hydro One is not obligated to seek clarifications. All attachments required to be completed and included with your submission are to be attached and properly referenced. Failure to comply may cause your Proposal to not be considered and be disqualified.
- (d) Failure to comply with sections marked “Mandatory Requirement(s)” will cause your Proposal to not be considered and be **disqualified**.

4.1 Company information

ALL fields are to be completed or if Not Applicable, Proponent should enter "N/A" in field.	
Full Legal Name of Proponent:	Click to enter answer
Any other name under which the Proponent conducts business:	Click to enter answer
Mailing Address:	Click to enter answer
Complete Mailing Address: City, Province / State / Country:	Click to enter answer
Postal / Zip Code:	Click to enter answer
Complete Remit to Address <i>(if different than Mailing Address above):</i>	Mailing Address: City, Province / State / Country: Postal / Zip Code:
	Click to enter answer
	Click to enter answer
	Click to enter answer
Phone Number (including Area Code):	Click to enter answer
Fax Number (including Area Code):	Click to enter answer
Email Address:	Click to enter answer
Website / URL Address:	Click to enter answer
Name of Proponent's Main / Key Contact Person:	Click to enter answer
Proponent's GST / HST Registration Number:	Click to enter answer
Proponent's QST Registration Number:	Click to enter answer
Proponent's Proposal Reference Number	Click to enter answer
The undersigned, hereby declare that the company is: <i>(Complete sub-clause (a) or (b) only, whichever applies)</i>	Click to enter answer
(a) A Company incorporated under the laws of	
OR	
(b) An individual or partnership carrying on business under the firm name and style above stated the names and places of incorporation, if any, of the members of the partnership or	Click to enter answer

joint venture being the following:

4.2 Mandatory Requirements

<p>Mandatory requirements will be assessed on a pass/fail basis. A Proposal must include or conform with the following mandatory requirements. Proponent is to place an “X” mark in either the “Yes” or “No” column in each of the rows below. Failure to meet the mandatory requirements will result in disqualification.</p>		Yes	No
<p>4.2.1 Hydro One Code of Business Conduct We have examined the Hydro One Code of Business Conduct, and agree to not take any action that would cause the Purchaser or any of its directors, officers, employees, agents, representatives, or business partners to be in breach of any of the obligations set out in Hydro One’s corporate Code of Business Conduct. A current copy of the code may be reviewed by downloading the electronic document by following the appropriate link at the following hyperlink (can be found and accessed in Part 5 – Attachments and Hyperlinks): http://www.hydroone.com/CodeofConduct</p>		<input type="checkbox"/>	<input type="checkbox"/>
<p>4.2.2 Acknowledgement, Agreement and Acceptance of the Terms and Conditions within Part 1 – Overview A Proponent may not take any exception to Part 1 –Overview under this RFP. Confirm your acceptance of Part 1 – Overview.</p>		<input type="checkbox"/>	<input type="checkbox"/>
<p>4.2.3 Acknowledgement, Agreement and Acceptance of all Mandatory Technical and Project Requirements within Part 3 – Terms of Reference A Proponent may not take any exception to any Mandatory Technical or Project Requirement within Part 3 – Terms of Reference this RFP. Confirm your acceptance and compliance with all Mandatory Technical Requirements within Part 3 – Terms of Reference by selecting the appropriate box below.</p>		Proposal meets Mandatory Technical and Project Requirements	
Mandatory Technical or Project Requirement	Proponent Bid Reference	Yes	No
-	Click here to enter your answer.	<input type="checkbox"/>	<input type="checkbox"/>
-	Click here to enter your answer.	<input type="checkbox"/>	<input type="checkbox"/>
-	Click here to enter your answer.	<input type="checkbox"/>	<input type="checkbox"/>
-	Click here to enter your answer.	<input type="checkbox"/>	<input type="checkbox"/>
-	Click here to enter your answer.	<input type="checkbox"/>	<input type="checkbox"/>
-	Click here to enter your answer.	<input type="checkbox"/>	<input type="checkbox"/>
-	Click here to enter your answer.	<input type="checkbox"/>	<input type="checkbox"/>

4.3 Executive Summary

Provide a concise summary of your organization, number of years in business, capabilities, and compliance. Readers of this section should be able to grasp the substance of the response quickly and easily.

Answer below:
[Click to enter answer](#)

4.4 Subcontractors / Sub-consultants

Please below any subcontracting arrangements (resources, etc) who would be assigned to the Work. Hydro One reserves the right in its sole and absolute discretion to reject for any reason whatsoever any sub-consultants proposed by the Proponent.

Answer below:

[Click to enter answer](#)

4.5 Your Understanding of Hydro One’s Requirements

Describe in your own words, your understanding of Hydro One’s requirements including scope and resource requirements. Specify in detail the actual services you propose to deliver. Detail the support you will require from Hydro One. Identify any major issues as determined by your company that would need to be addressed for successful delivery of the services.

Answer below:

[Click to enter answer](#)

4.6 Proof of Ability, Project Team and Subject Matter Expertise

Hydro One requires detailed assurance that Proponents responding to this RFP demonstrate past performance in, and present/future resource commitment to, the utility services industry and contracts for needs similar to those expressed in this RFP. Please provide responses to the following:

4.6.1 Utility Services Background:

Provide an overview of your experience and background in this field. Outline your involvement in any **related** associations or groups, including any interest groups. Complete at least **five (5)** utility references in the table(s) under “4.6.3 – References” below, at least one of which should include a large transmission component.

Answer below:

[Click to enter answer](#)

Describe your experience in large scale projects, similar to the contracts sought by this RFP. Experience may also include other industries governed by different but equivalent standards. Provide examples of similar projects Proponent has completed within the last three (3) years using technology and methodology you have proposed in this RFP response. Proponent is expected to provide name, location and date of work, other technologies included in solutions, time frame of delivery of the projects, challenges encountered (technology, etc), methodology used, size of project team including vendor, client and integrator with an emphasis on experience relevant to the deliverables out lined in the Terms of Reference of this RFP.

Answer below:

[Click to enter answer](#)

4.6.2 References

Complete the table below to demonstrate:

Project Experience and References

Referenced Project Title /Description	Proponent Contact (Name and Phone Number)	Contact Information for Reference	Name of Proposed Project Team Member(s) that worked on	Résumé of Proposed Team Member attached
---------------------------------------	---	-----------------------------------	--	---

		(Name and Phone Number)	referenced project	Yes	No
Click to enter answer	Click to enter answer	Click to enter answer	Click to enter answer	<input type="checkbox"/>	<input type="checkbox"/>
Click to enter answer	Click to enter answer	Click to enter answer	Click to enter answer	<input type="checkbox"/>	<input type="checkbox"/>
Click to enter answer	Click to enter answer	Click to enter answer	Click to enter answer	<input type="checkbox"/>	<input type="checkbox"/>
Click to enter answer	Click to enter answer	Click to enter answer	Click to enter answer	<input type="checkbox"/>	<input type="checkbox"/>
Click to enter answer	Click to enter answer	Click to enter answer	Click to enter answer	<input type="checkbox"/>	<input type="checkbox"/>

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
Please indicate whether Hydro One may contact the provided references.	<input type="checkbox"/>	<input type="checkbox"/>

4.6.3 Project Team

Provide details of the personnel who would be assigned to the Work, and those who would be available as additional resources, clearly specifying for each individual whether they are "assigned" resources, or "available additional" resources. Personnel details should include proof of their ability to perform the Work including resumés detailing education, professional status and experience, **(to be attached as an Appendix)**. In addition, indicate specifically which of the five reference accounts used for the "Project Experience" table under "c." above the personnel to be "assigned" to the project have worked on and in what capacity they were accountable on these projects. As mentioned, include as appendices the appropriate CVs.

Provide evidence of the subject matter expertise available to meet the requirements of this RFP. This should include having the capability in terms of personnel, training, processes, methodologies, etc.

Indicate the proposed team members' availability for the duration of this initiative.

The proposed team members are subject to Hydro One review and approval. Hydro One is particularly interested in the skills, knowledge, qualifications and relevant practical experience of the Proponent's team and the individual's experience with similar projects.

Answer below:

[Click to enter answer](#)

Résumé(s) attached as Appendix # [Choose the Appendix #](#) to our submission.

4.6.4 Intentionally Deleted

4.7 Statement of Work

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
Provide a draft Statement of Work utilizing the attached SOW Template included in Attachment #11– Statement of Work in Part 5 – Attachments and Hyperlinks.		
Attached as Appendix # Choose the Appendix # to our submission. (Fill in the blank.)		
Please indicate whether you have completed and attached the above documentation:	<input type="checkbox"/>	<input type="checkbox"/>

4.8 Schedule

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
<p>Hydro One is targeting completion of this engagement (See both deadlines - Part 3 Terms of Reference – 1.4.1) including final report and presentation(s). Proponents are expected to propose a project plan that meets this timeframe based on the scope, complexity, and size of the tasks. Please provide the following:</p> <p>Brief summary overview of approach you will take to complete this assignment.</p> <p>Work plan and schedule in a format acceptable to the Purchaser (e.g. Microsoft Project).</p> <p>Resource plan. This includes resource roles and percent allocation for each major deliverable.</p> <p>Hydro One resource requirements, including roles, knowledge requirements, percent available (quantity of their time needed), and timelines (at what point in the proposed work schedule they will be required).</p> <p>Non-personnel resources requested of Hydro One, if required (i.e. Hydro One service providers).</p> <p>Project planning assumptions including required access to senior management.</p> <p><i>Answer below:</i> Click to enter answer</p> <p>Provide confirmation below of your ability to meet the delivery timelines outlined in Part 3: Terms of Reference</p>	<input type="checkbox"/>	<input type="checkbox"/>

4.9 Hydro One Resource Requirements

Detail any required support by Hydro One resources. Include an estimate of time, the reason and at what point in the proposed work schedule the resources are required.

Also include any non-personnel resources required of Hydro One. Indicate space/facilities and equipment expected to be provided by Hydro One.

Answer below:
[Click to enter answer](#)

4.10 Intentionally Deleted

4.11 Intentionally Deleted

4.12 Lifecycle Philosophy

The Proponent is requested to provide a preliminary discussion on the issues to be considered and the processes to follow in making a decision to remain steady state, repair, refurbish or replace large and critical business systems. It is expected that the project report would expand on this discussion as well as accommodate the specific circumstances, which HONI is currently facing.

Answer below:
[Click to enter answer](#)

4.13 Assessment Methodology

Provide a description of the methods, processes and procedures and high level plan for conducting the Work as defined in this Request for Proposal (i.e., what and how it will be done). The Proponent should state the nature, and content, and the expected artifacts/deliverables that will be generated (i.e., what will be the product and what will Hydro One expect to receive).

Answer below:
[Click to enter answer](#)

4.14 Assumptions and Constraints

Identify below key assumptions and constraints governing your Proposal.

Answer below:

Click to enter answer

4.15 Risks

Using the table provided below, provide an assessment of the potential risks that may impact a successful project completion and how these risks will be mitigated.

Potential Risk	Risk Impact	Risk Mitigation
Click to enter answer	Click to enter answer	Click to enter answer
Click to enter answer	Click to enter answer	Click to enter answer
Click to enter answer	Click to enter answer	Click to enter answer

4.16 Intentionally Deleted

4.17 Intentionally Deleted

4.18 Pricing

“Goods and Services Tax” or “GST” means the federal Goods and Services Tax chargeable in accordance with Part IX of the Excise Tax Act (Canada), as amended (the “Excise Tax Act”), and includes the additional tax payable under sub-section 165(2) of the Excise Tax Act in respect of a supply made in a participating province.

“Harmonized Sales Tax” or “HST” means GST payable for a supply made in a participating province. Ontario is a participating province effective July 1, 2010.

Place an “X” mark in either the “Yes” or “No” column in each of the rows below.	Yes	No
<p>Pricing Matrix included as Attachment #6– Pricing Matrix in Part 5 – Attachments and Hyperlinks has been completed in its entirety and is included with your Proposal. The completed Pricing Matrix, using the exact format provided in this RFP, must be inserted in a separate sealed envelope, inside the box or package containing your main Proposal and the envelope shall be clearly marked:</p> <p style="text-align: center;">RFP Document #7000005537 - Proposal Appendix # ____ Pricing Matrix Your Full Legal Company Name</p> <p>Included in the same separate sealed envelope shall be electronic copies containing the same content of the paper copy Pricing Matrix. For number of paper copies and electronic copies required see Section 1.7.1 – Unpriced Proposal, Pricing Matrix and Number of Copies.</p> <p>Acknowledge that you have complied with the above by marking an “X” in the appropriate box:</p> <p>Attached as Appendix # Choose the Appendix # to our submission.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Pricing Matrix has been included in separate sealed envelope and is identified as Appendix # _____ to our submission.</p> <p>Prices/rates include:</p> <ul style="list-style-type: none"> • All labour, overhead administration, work equipment, and materials necessary to perform the Work. • All insurance(s), WSIB/workers’ compensation and all other charges of every kind attributable to the Work. • All applicable taxes (except for GST/HST and QST). Where applicable, all prices and rates must be net, excluding GST/HST and QST. If applicable, the GST/HST and QST shall be shown, as extra and separately, on the pricing matrix. 	<input type="checkbox"/>	<input type="checkbox"/>

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
<ul style="list-style-type: none"> All reimbursable expenses. (Note: If extra, reimbursable expenses must be shown separately on the Pricing Matrix and details are to be provided in Part 4 – Form of Submission). All other charges of every kind attributable to the Work. <p>Prices are in Canadian dollars and are not subject to adjustment for fluctuations in foreign exchange. If not in Canadian dollars, specify currency here: Click to enter answer. (Fill in the blank.)</p>		
<p>Indicate whether all reimbursable expenses are included in your proposed pricing by marking an "X" in the appropriate box.</p> <p>If No, please provide details below: Click to enter answer</p> <p>Proponent note: If reimbursable expenses are extra, the estimate must be shown on your completed Pricing Matrix.</p> <p>Proponent note: Under no circumstances will any expenses be recoverable by the successful Proponent from the Purchaser, either directly or indirectly, for any hospitality, incidental, or food or beverage expenses incurred by successful Proponent's personnel, or anyone acting on behalf of the successful Proponent, including but not limited to expense in respect of:</p> <ul style="list-style-type: none"> (i) meals, snacks and beverages; (ii) gratuities; (iii) laundry, dry cleaning and valet services; (iv) dependant care; (v) home management and; (vi) personal telephone calls. <p>The Purchaser shall not accept a surcharge for general administrative expenses including, without limitation, communication charges, data systems management, etc. Proposals shall not include any such charges.</p>	<input type="checkbox"/>	<input type="checkbox"/>

4.18.1 Firm Rates

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
<p>Rates are firm for the duration of the engagement. Agreed:</p> <p>If No, please provide details below: Click to enter answer</p>	<input type="checkbox"/>	<input type="checkbox"/>

4.18.2 Incentives/Added Value

<p>Proponent proposes the following favorable payment terms, rebates, volume discounts, incentives etc. that may be considered in the evaluation of this Proposal and are intended to increase the total value delivered by the successful Proponent and received by the Purchaser.</p> <p><i>Answer below:</i> Click to enter answer</p>

4.18.3 Intentionally Deleted

4.19 Commercial Terms and Conditions

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
<p>Indicate your willingness to accept the Hydro One's Commercial Terms & Conditions included in Part 2 – Request for Proposal. Failure to explicitly express any exceptions below to the proposed terms and conditions in this section will be deemed as willingness to accept.</p> <p>If any exceptions please state below: Click to enter answer</p> <p>Proponent note: Any exceptions will be considered in the evaluation and may cause your Proposal to not be considered further.</p>	<input type="checkbox"/>	<input type="checkbox"/>

4.19.1 Terms of Payment

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
<p>Net 45 days after receipt of an acceptable invoice to be billed on a monthly basis tied to accepted deliverable or milestones or upon completion and acceptance of the work as applicable.</p> <p>Agreed: If No, please provide details below: Click to enter answer</p>	<input type="checkbox"/>	<input type="checkbox"/>

4.19.2 Invoicing Compliance

Hydro One general invoice requirements are as follows;

Invoices MUST be submitted in accordance with the contract documents' Terms of Payment and Invoicing requirements and in a format corresponding to the items listed on the face of each Purchase Order and Purchase Order release. Invoices MUST match the Purchase Order and Purchase Order release in price and quantity.

All invoices must clearly show:

- Invoice number and date;
- Contractor's name, address, phone number and contact name;
- 'Remit' address, if different than mailing address;
- This Outline Agreement number, the Purchase Order release number and the Purchase Order release line number(s) including location of the Work and a short description of the Work the charges relate to;
- Quantity 1 lot price (unless otherwise specified on the Purchase Order release);

If the Purchaser's Site Contact requires details of labour, materials and/or equipment used, please provide this information SEPARATELY, direct to the Site Contact. DO NOT attach a copy of this information to your invoice(s) submitted for payment.

NOTE:

1. Invoices not conforming to the above instructions/format will be returned to the Contractor.
2. Payments will be made to the "Remittance" address only. Cheques may not be picked up.
3. Do not include charges from more than one Purchase Order release on an invoice.

The pricing in the sample invoice should NOT under any circumstances be representative of the specific requirement of this RFP. Failure to comply will be considered in the evaluation and may cause your Proposal to not be considered further.

The Invoice Sample should **not** be submitted with your Proposal, you will be contacted by the Purchaser if a sample invoice is required.

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
We will provide the required documentation as outlined above upon request by the Purchaser in this section:	<input type="checkbox"/>	<input type="checkbox"/>

4.19.3 Financial Information

Place an "X" mark in either the "Yes" or "No" column in each of the rows below. Failure to meet these requirements may result in disqualification.	Yes	No

Place an "X" mark in either the "Yes" or "No" column in each of the rows below. Failure to meet these requirements may result in disqualification.	Yes	No
<p>Financial Information</p> <p>To enable Hydro One to assess the Proponent's financial condition, the Proponent is required to provide the information requested in Attachment #3 – Financial Requirements in Part 5 – Attachments and Hyperlinks.</p> <p>Proponent Note: The Proponent has the option to provide the Financial Requirements in a separate sealed envelope, at their discretion.</p> <p>Indicate whether you have completed and attached the above documentation; Attached as Appendix # Choose the Appendix #. to our submission.</p>	<input type="checkbox"/>	<input type="checkbox"/>

4.19.4 Standard Insurance Certificate

Place an "X" mark in either the "Yes" or "No" column in one of the rows below. Failure to meet this requirement may result in disqualification.	Yes	No
<p>The Proponent shall procure and maintain at its own expense, insurance(s), as described in Section 2.2 – Insurance Requirements of this RFP package, for the duration of this contract.</p> <p>We have examined and meet the requested insurance requirements and the Standard Insurance Certificate Attachment #5 – Hydro One Standard Insurance Certificate Form in Part 5 – Attachments and Hyperlinks has been completed in its entirety and is included in the hard copies of our submission.</p> <p>Attached as Appendix # Choose the Appendix #. to our submission.</p>	<input type="checkbox"/>	<input type="checkbox"/>
OR		
<p>If Proponents answered NO to the above Insurance question:</p> <p>We currently do not meet the requested insurance requirements. However, if we are the successful Proponent, we will obtain and meet the required insurance requirements, at no additional cost to the Purchaser, and submit the Standard Insurance Certificate Form and any other insurance documentation requested by the Purchaser within 48 hours after the Purchaser's notification or request.</p>	<input type="checkbox"/>	<input type="checkbox"/>

4.19.5 WSIB

Place an "X" mark in either the "Yes" or "No" column in one of the rows below. Failure to meet this requirement may result in disqualification.	Yes	No								
<p>(a) Submit evidence that your company is in good standing with the Workplace Safety Insurance Board by including the Clearance Certificate Number and Validity Period as well as a copy of the Clearance Certificate. For the purposes of obtaining a Clearance Certificate through the WSIB online, the "Principal Account Number" is 9425608 (for Hydro One Networks Inc.)</p> <p>(Complete the information in the appropriate spaces below.)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">CLEARANCE CERTIFICATE NUMBER</th> <th style="width: 25%;">VALIDITY PERIOD (mm/dd/yyyy)</th> <th style="width: 25%;">FROM:</th> <th style="width: 25%;">TO:</th> </tr> </thead> <tbody> <tr> <td style="height: 30px;"></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Attached as Appendix # Choose the Appendix #. to our submission.</p> <p>Proponent's most Recent WSIB Experience Rating Sheet, CAD-7/NEER/MAP: (Fill in the blank.)</p> <p>Proponents are required to meet or exceed the current Hydro One requirements for WSIB Rating (one of the following):</p> <ul style="list-style-type: none"> • MAP maximum of 10% surcharge on WSIB premiums • NEER: < 1.5 (rebate or surcharge status) • CAD-7: -0.0 or higher (rebate or surcharge status) 	CLEARANCE CERTIFICATE NUMBER	VALIDITY PERIOD (mm/dd/yyyy)	FROM:	TO:					<input type="checkbox"/>	<input type="checkbox"/>
CLEARANCE CERTIFICATE NUMBER	VALIDITY PERIOD (mm/dd/yyyy)	FROM:	TO:							
<p style="text-align: center;">OR - If Proponent is unable to provide information above, please complete one of the following:</p> <p>We currently do not have WSIB Clearance Certificate, and;</p>	Yes	No								
<p>(b) we have been deemed an Independent Operator by WSIB (or equivalent if a U.S. or non-Ontario company). However, if we are the successful Proponent, we will opt for the insurance from WSIB and obtain the</p>	<input type="checkbox"/>	<input type="checkbox"/>								

Place an "X" mark in either the "Yes" or "No" column in one of the rows below. Failure to meet this requirement may result in disqualification.	Yes	No
<p>required WSIB Clearance Certificate irrespective of any available exemptions from the same, at no additional cost to the Purchaser, and submit a copy of the WSIB Clearance Certificate and any other documentation requested by the Purchaser within a reasonable time period upon Purchaser's request.</p> <p>We have included a copy of the "Decision Letter" from WSIB attached as Appendix # Choose the Appendix # to our submission.</p>		
<p>(c) we are considered "By Application" by the WSIB. We have included a letter from the WSIB, indicating that there is an opportunity to obtain optional coverage under an existing rate group. We will opt for the insurance from WSIB and obtain the required WSIB Clearance Certificate irrespective of any available exemptions from the same, at no additional cost to the Purchaser, and submit a copy of the WSIB Clearance Certificate and any other documentation requested by the Purchaser within a reasonable time period upon Purchaser's request.</p> <p>We have included a copy of the "Decision Letter" from WSIB attached as Appendix # Choose the Appendix # to our submission.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(d) we are considered Exempt by the WSIB (Schedule II). We have included a letter from the WSIB, indicating that there is no opportunity to obtain optional coverage under our existing rate group.</p> <p>We have included a copy of the "Decision Letter" from WSIB attached as Appendix # Choose the Appendix # to our submission. (Fill in the blank.)</p>	<input type="checkbox"/>	<input type="checkbox"/>

4.20 Ownership Rights

Place an "X" mark in either the "Yes" or "No" column in each of the rows below.	Yes	No
We agree that Hydro One will retain ownership rights of all work product, deliverables, etc. conceived and received in the course of this engagement.	<input type="checkbox"/>	<input type="checkbox"/>

4.21 Intentionally Deleted

4.22 Intentionally Deleted

4.23 Additional Information

Submit any additional information that supports the required competencies and capabilities as identified in the evaluation criteria outlined in Part 1 – Instructions to Proponents and throughout the RFP, but please keep proposed documentation to a minimum. Excessive marketing material is not required.

Answer below:

[Click to enter answer](#)

4.24 Sample Documents/Miscellaneous Information

This section is for the inclusion or attachment of any sample documentation or miscellaneous information not requested for or requested for in these documents but which is not furnished elsewhere that the Proponent may wish to provide in support of their response.

Answer below:

(Proponents note: If including any attachments please include the Appendix numbers)

[Click to enter answer](#)

4.25 Intentionally Deleted

4.26 Intentionally Deleted

4.27 Conflict of Interest and Unfair Advantage

Conflict of Interest and Unfair Advantage shall have the meaning ascribed on them in the Definitions Section 1.2 of this RFP.

The Proponent, by submitting the Proposal, warrants that to the best of its knowledge, information and belief no actual or potential Conflict of Interest or Unfair Advantage exists with respect to the submission of the Proposal or performance of the contemplated contract other than those, if any, disclosed below. Where the Purchaser discovers a Proponent’s failure to disclose all actual or potential Conflicts of Interest or Unfair Advantage, the Purchaser may disqualify the Proponent or terminate for cause any contract awarded to that Proponent pursuant to this RFP process.

In the event that the spaces below are left blank, the Proponent shall be deemed to declare that to the best of its knowledge, information, and belief **(a)** it has had no Unfair Advantage in preparing its Proposal and **(b)** there is no foreseeable actual or potential Conflict of Interest in performing the contractual obligations contemplated in the RFP.

If either or both of the statements below apply, place an “X” mark in the appropriate box below:	
The Proponent declares that to the best of its knowledge, information, and belief there is an actual or potential Unfair Advantage relating to the preparation of its Proposal.	<input type="checkbox"/>
The Proponent declares that to the best of its knowledge, information, and belief there is an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the RFP.	<input type="checkbox"/>

In the event the Proponent declares an actual or potential Unfair Advantage and/or an actual or potential Conflict of Interest (by marking an “X” in either of the boxes above), the Proponent shall provide all relevant detailed information below:

[Click here to enter your answer.](#)

The Proponent agrees to provide any additional information which may be requested by the Purchaser, in the form prescribed by the Purchaser.

Where, in its sole discretion, the Purchaser concludes that an Unfair Advantage and/or Conflict of Interest arises, it may, in addition to any other remedy available to it at law or in equity, **disqualify** the Proponent’s Proposal, or terminate for cause any contract awarded to the Proponent pursuant to this RFP.

4.28 Proponent Signature

The undersigned hereby warrants and represents the following:

- The information provided pursuant to this RFP document is complete and accurate in all respects;
- All RFP documents including any Addenda have been thoroughly reviewed;
- The Proponent has the current capability to provide the proposed services;

The undersigned has received the following addenda as listed below (if no addenda are issued by Hydro One leave blank).

	<u>Addendum No.</u>	<u>Dated</u>
No.		
No.		
No.		

The Bidder hereby covenants and agrees that this offer is valid for acceptance for a period of 120 days from the last date and time fixed for receipt of Proponent by the Purchaser and that the Purchaser may at any time within the said period accept this Proponent submission whether or not any other Proponent submissions have been previously accepted.

SIGNATURE _____
NAME [Click to enter answer](#)
TITLE [Click to enter answer](#)
DATE [Click to enter answer](#)

Proponent note: At least one copy of your Proposal MUST include ORIGINAL (ink) signature(s). See Part 1 –Overview for number of paper and electronic copies required. No pricing information shall be included in this Part 4 - Form of Submission. Pricing shall be provided by including the completed Pricing Matrix, per Part 5 – Attachments and Hyperlinks as an Appendix to your submission in a separate sealed envelope as detailed in Part 1 –Overview.

PART 5: ATTACHMENTS AND HYPERLINKS

Attachments Instructions for Proponents

All attachments below that require the Proponent to complete information must be completed, printed and included in / attached to the Proposal.

All completed attachments are to be referenced within the appropriate section in the completed Part 4 - Form of Submission, with the corresponding Appendix # to your Proposal.

All completed attachments are to include the Proponent's Appendix #.

All electronic copies of your submission are to include all Appendices.

Exception: The completed Pricing Matrix is required to be inserted in a **separate sealed envelope along with separate electronic copies including only the completed Pricing Matrix** as per Part 1 - Overview. No pricing information is to be included in the completed paper/hard copies of the completed Form of Submission or the electronic copies of the completed Form of Submission.

If you are receiving these "Attachments and Hyperlinks" electronically, then please double click on the icons below to open them.









5.1 Attachments

List of Attachments

The following documents are referenced attachments to the RFP and should be treated as part of the RFP documentation:

Attachment #1	<u>Hydro One Code of Business Conduct</u>
Attachment #2	<u>Intention to Submit Proposal Form</u> - N/A
Attachment #3	<u>Financial Requirements Form</u> Proponents note: To be completed and attached to your Proposal. <u>At your discretion, may be included in a separate sealed envelope within your Proposal.</u>
Attachment #4	<u>Previously Executed Confidentiality Agreement</u>
Attachment #5	<u>Hydro One Standard Insurance Certificate Form</u> Proponent note: To be completed and attached to your Proposal.
Attachment #6	<u>Pricing Matrix</u> Proponent note: Must be completed and included in a separate sealed envelope as per Part 1 – Overview
Attachment #7	<u>Intention to Attend Pre-Submission Meeting Notification & Confirmation Form</u> - N/A
Attachment #8	<u>Contractor Health, Safety & Environmental Questionnaire</u> - N/A
Attachment #9	<u>Resource Attachments for Project Delivery Service</u> – N/A
Attachment #10	<u>Project Governance and Reporting</u> – N/A
Attachment #11	<u>Statement of Work Template</u>
Attachment #12	<u>Contract Standard A-29-2011 (October 2011)</u>
Attachment #13	<u>BID System User Guide</u> Proponent note: Proposals are <u>not</u> accepted through the BID System – See Part 1 – Overview
Attachment #14	<u>Aboriginal Business Declaration Form</u> - N/A
Attachment #15	<u>Proposal Return Label</u> Proponents note: Affix this label to your submission package envelope

Notification of awards can be viewed by following the appropriate links to Tenders and Proposals – Awards at www.HydroOne.com

Attachments – 1 - 15			
<p>#1 <u>Hydro One Code of Business Conduct</u></p> <p>* See Hyperlink Below</p>	<p>#2 <u>Intention to Submit Proposal Form</u></p> <p>N/A</p>	<p>#3 <u>Financial Requirements Form</u></p> <p> Business Profile & Financial Requirements</p>	<p>#4 <u>Previously Executed Confidentiality Agreement</u></p> <p> Hydro One - Confidentiality Agreement</p>
<p>#5 <u>Hydro One Standard Insurance Certificate Form</u></p> <p> Hydro One Standard Insurance Form.docx</p>	<p>#6 <u>Pricing Matrix</u></p> <p> Price Matrix Cost Allocation Study.xlsx</p>	<p>#7 <u>Intention to Attend Pre-Submission Meeting Form</u></p> <p>N/A</p>	<p>#8 <u>Contractor Health, Safety & Environmental Questionnaire</u></p> <p>N/A</p>
<p>#9 <u>Resource Attachments For Project Delivery Service</u></p> <p>N/A</p>		<p>#10 <u>Project Governance And Reporting</u></p> <p>N/A</p>	<p>#11 <u>Statement Of Work Template</u></p> <p> SOW Template.doc</p>
<p>#12 <u>Contract Standard A-29-2011 (October 2011)</u></p> <p> A-29-2011 (October 2011).pdf</p>	<p>#13 <u>BID System User Guide</u></p> <p> Hydro One BID System - Supplier Help</p>	<p>#14 <u>Aboriginal Business Declaration Form</u></p> <p>N/A</p>	<p>#15 <u>Proposal Return Label</u></p> <p> Return Label.docx</p>

5.2 Hyperlinks

* A current copy of the Hydro One corporate Code of Business Conduct may be reviewed by downloading the electronic document by following the appropriate link at the following hyperlink:
<http://www.hydroone.com/CodeofConduct>

As referenced in Part 3 – Terms of Reference, here you will find Information about Hydro One Inc. and its subsidiaries at:
<http://www.hydroone.com/OurCompany/Pages/QuickFacts.aspx>

As referenced in Part 1 – Overview:
 Notification of awards can be viewed by following the appropriate links to Tenders and Proposals – Awards at
www.HydroOne.com

PART 5 – Attachment

Business Profile and Financial Requirements

As a Request for Proposal (“RFP”) respondent, you are requested to provide answers to each of the questions in this section in the order in which the questions are presented. The questions cover general business operations as well as specific Service experience.

RFP Document Number:

Company Name:

1. *Company Size*

Provide the total number of company employees and an estimate indicating the percentage of these employees who are directly related to the scope of this RFP.

Answer below:

2. *Company Ownership*

Describe how your company is owned and financed. Describe any extended financial relationships, such as parent company, etc.

Answer below:

3. *Financial Data*

Please provide your company’s last two sets of Financial Statements prepared by an external accountant and Annual Reports (if any).

Acknowledge below that you have complied with above: **(Put an “X” mark in the appropriate space below.)**

YES		NO	
-----	--	----	--

Financial Statements and Annual Reports (if any) are attached as Appendix # to our submission. **(Fill in the blank.)**

4. *Litigation*

Provide a listing of any pending claims, lawsuits and/or judgments against your company or affiliates.

Answer below:

5. *Disclosure of Acquisition/Merger*

Provide information concerning any plans or discussions of acquisition or merger affecting your company's ownership.

Answer below:

RFx Process Confidentiality Agreement

Dated as of date of Proponent's signature below.

Between:

Hydro One Networks Inc. ("Hydro One")

and

the party signing below and identified as "Proponent"

A. Hydro One from time to time issues requests for proposals, expressions of interest, tenders, qualifications and requests of like nature (each an 'RFx') with respect to the acquisition of goods and or services.

B. Hydro One considers the RFx and the facts that an RFx has been issued to Proponent, that Hydro One Confidential Information has been provided to Proponent and that discussions, negotiations or investigations in relation to the RFx have taken place, or are taking place or may take place and all information of Hydro One or an affiliate accessed by Proponent or provided to Proponent in connection with the RFx by or on behalf of Hydro One or an affiliate or a customer of either, which, regardless of form, a reasonable person would consider to be proprietary or confidential, to be "Hydro One Confidential Information".

C. Hydro One requires that Proponent be bound to Hydro One under a valid and subsisting agreement in this form as a condition of issuance of an RFx to Proponent.

D. In fairness to other participants of any RFx process, Hydro One cannot contemplate amendments hereto. Any contract arising with Proponent from an RFx should address the confidentiality obligations of the parties from and after the time agreement is reached.

E. Proponents are expected to use discretion in disclosing proprietary or confidential information to Hydro One. "Proponent Confidential Information" means product or service specifications which are marked 'Confidential' and pricing information, relating to Proponent's response to the RFx.

In consideration of Hydro One issuing one or more RFx documents to the Proponent during the currency of this Agreement and other good and valuable consideration, the parties agree as follows:

1. Definitions

For the purposes of this Agreement, the following additional definitions will apply:

"Customer Information" means any specific information about a customer of Hydro One and/or any of its affiliates and includes, but is not limited to, Personal Information.

"Personal Information" means any factual or subjective information, recorded or not, about an identifiable individual and this includes information in any form, including, but not limited to age, name, ID numbers, income and ethnic origin.

“Purpose” means for the purpose of the RFX in connection with which the information was disclosed or discovered, including without limitation, reviewing, evaluating and/or responding to the RFX or the Proponent’s response thereto and with respect to any contract for the supply of goods or services arising between the parties in connection with the RFX, means for the purpose of the contract in connection with which the information was disclosed or discovered, including without limitation, for the purpose of performance or enjoyment of performance of the contract;

2. Inclusions and Exclusions to Confidential Information

Hydro One Confidential Information shall be deemed to include Customer Information and Personal Information.

Neither Hydro One Confidential Information nor Proponent Confidential Information shall include information which:

- (a) Is previously known to or lawfully in the possession of the recipient as evidenced by the recipient’s written record prior to the date of disclosure;
- (b) Is independently known to or discovered by the recipient, without any reference to the confidential information of the disclosing party;
- (c) is obtained by the recipient from an arm's length third party having a bona fide right to disclose same and who was or is not otherwise under an obligation of confidence or fiduciary duty to the disclosing party;
- (d) Lawfully is or becomes public knowledge through no fault or omission of, or breach of this Agreement by, the receiving party; or
- (e) Is required to be disclosed pursuant to a final judicial or governmental order or other legal process.

3. Disclosure and Use of Confidential Information

Hydro One may issue RFX(s) to Proponent from time to time. Hydro One agrees to maintain Proponent Confidential Information, and Proponent agrees to maintain all Hydro One Confidential Information disclosed or discovered in connection with a particular RFX, in strict confidence and to use such Proponent Confidential Information or Hydro One Confidential Information as the case may be, solely for the Purpose and, without limiting the generality of the forgoing limitation, not for the purpose of achieving any additional commercial or financial benefit. In addition, the Proponent may only make such copies of Hydro One Confidential Information as are reasonably necessary for the Purpose. The Proponent is permitted to disclose Hydro One Confidential Information only to such of its personnel who need to know the Hydro One Confidential Information for the Purpose.

4. Compelled Disclosure

In the event that a party (in this paragraph, the ‘recipient’) or anyone to whom the recipient transmits (in this paragraph, the ‘transmittee’) the confidential information of the other (namely the Hydro One Confidential Information or the Proponent Confidential Information as the case may be) becomes legally compelled to disclose any of such confidential information, the recipient will provide the other party with prompt notice so that the other party may seek injunctive relief or other appropriate remedies and/or waive compliance with the provisions of this Agreement. In the event that such other party is unable to obtain

injunctive relief or other remedies, the recipient will exercise reasonable efforts to prohibit the further transmission of the confidential information. In the event that both parties are unable to prevent the further transmission of the confidential information, the recipient will, or will use reasonable efforts to cause the transmittee to furnish only that portion of the confidential information, which the recipient is advised by written opinion of counsel is legally required to be furnished by the recipient or transmittee to such person, and exercise reasonable efforts to obtain assurances that confidential treatment will be afforded to that portion of the confidential information so furnished.

5. Security Safeguards

The Proponent undertakes to protect and safeguard all Hydro One Confidential Information hereof in its possession or under its control in the manner described in Schedule “A” attached hereto and forming a part of this Agreement (the “Security Safeguards”).

6. Unauthorized Use or Disclosure of Confidential Information

Each party undertakes to notify the other immediately upon discovery of any unauthorized use and/or disclosure of the confidential information of the other as defined herein, to cooperate with the other to help regain possession of such confidential information, and to prevent its further unauthorized use and/or disclosure.

7. Audit of Information Management Practices

Where Personal Information has been disclosed, at any reasonable time, and where Customer Information has been disclosed, where Hydro One has reason to suspect a breach of this Agreement, and in either case on reasonable notice, Hydro One shall have the right to audit the information management practices of the Proponent for compliance with the terms of this Agreement, including, but not limited to Section 5 hereof, and all applicable laws.

8. Return of Confidential Information

The Proponent shall promptly return to Hydro One or destroy (and provide written certification thereof) all Hydro One Confidential Information (and any copies thereof) on request except such copies as Proponent may be required to retain at law.

9. Remedies

The parties agree that each would be irreparably injured by a breach of this Agreement by the other and that in such event, the injured party may seek equitable relief, including injunctive relief, specific performance and/or such other relief as may be granted by any court to prevent breaches of this Agreement and to enforce specifically the terms and conditions herein in any action instituted in any court having subject matter jurisdiction, in addition to any other remedy to which the party may be entitled at law or in equity.

10. Assignment

Neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the prior written consent of the other. Subject to the foregoing, this

Agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

11. Notices

Notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been properly given on the date of actual delivery if delivered by hand or by courier, five business days after dispatch by registered mail, and on the date faxed (unless it is faxed after the addressee's normal business hours, in which case it shall be deemed received on the addressee's next business day), addressed to the party to whom it was sent at the address, or fax number, of such party as specified in writing by such party to the other party.

12. No Waiver

The failure of either party to exercise any right, power or option or to enforce any remedy or to insist upon the strict compliance with the terms, conditions and covenants under this Agreement shall not constitute a waiver of the terms, conditions and covenants herein with respect to that or any other or subsequent breach thereof nor a waiver by the party at any time thereafter to require strict compliance with all terms, conditions and covenants hereof, including the terms, conditions and covenants with respect to which the party has failed to exercise such right, power or option. Nothing shall be construed or have the effect of a waiver except an instrument in writing signed by a duly authorized officer of the party which expressly waives a right, power or option under this Agreement.

13. Announcements

Except as required by law, regulatory authorities, or stock exchanges, no public announcement, press release, or other public disclosure concerning this Agreement or the transactions contemplated herein shall be made by the Proponent, without Hydro One's prior written consent and approval. The Proponent shall provide at least 72 hours' notice to Hydro One, if permitted by law, prior to making any announcement required by law, regulatory authorities, or stock exchanges. Hydro One may take such actions as it deems necessary to prevent such disclosure if in its sole opinion such disclosure is not mandatory. The Proponent shall not make any statements or submissions on behalf of Hydro One concerning this Agreement or the RFX, or the Proponent's response thereto, or any contract or services arising in connection with the RFX and response, without the express written consent of Hydro One.

14. Entire Agreement

This Agreement constitutes the entire Agreement between the parties respecting the confidentiality of their respective confidential information and supersedes all prior negotiations, representations, understanding or agreements, written or oral, between them concerning same.

15. Severability

If any non-material provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason by any court of

competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provision of this agreement which shall otherwise remain in full force and effect and be enforced in accordance with its terms and the effect of such holding, declaration or pronouncement shall be limited to the territory or jurisdiction in which made.

16. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario at Toronto in the event of a dispute hereunder.

17. Term and Termination

This Agreement and the terms hereof shall continue to be in effect and apply to information disclosed or discovered in connection with an RFX issued pursuant hereto indefinitely, notwithstanding the termination of the application of this Agreement as provided below. Hydro One may terminate the application of this Agreement to future RFX processes by advice to Proponent that execution of a new form of Non-Disclosure Agreement is a condition of receipt of any such RFX without affecting the validity or applicability of this Agreement to any RFX issued prior to such advice.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the date shown below for Proponent’s signature by their respective duly authorized signatories.

<p>_____</p> <p>Enter Company Name Above.</p> <p>Per: _____</p> <p>I have the authority to bind the corporation.</p> <p>Name: _____ (PLEASE PRINT NAME)</p> <p>Title: _____ (PLEASE PRINT TITLE)</p> <p>Date: _____ (MMM/DD/YYYY)</p>	<p>HYDRO ONE NETWORKS INC.</p> <p>Per: _____</p> <p>I have the authority to bind the corporation.</p> <p>Lynnette Harris, Buyer, Supply Chain Services</p> <p>Date: _____ (MMM/DD/YYYY)</p>
---	---

Schedule “A”

Security Safeguards Regarding Hydro One Confidential Information

Proponent shall protect Hydro One Confidential Information by security safeguards appropriate to the sensitivity of the information (provided that Proponent may apply the highest level of security safeguards to all Hydro One Confidential Information).

- 1) Proponent shall protect Hydro One Confidential Information against such risks as loss or theft, unauthorized access, disclosure, copying, use, modification or destruction, through appropriate security measures, regardless of the format in which it is held.
- 2) All of Proponent’s employees with access to Hydro One Confidential Information shall be contractually required to respect the confidentiality of that information.
- 4) The nature of the safeguards will vary depending on the sensitivity, amount, distribution and format of the information, and the method of storage. More sensitive information such as Personal Information and Customer Data will be safeguarded by a higher level of protection.
- 5) The methods of protection will include:
 - (a) Physical measures, for example, locked filing cabinets and restricted access to offices;
 - (b) Organizational measures, for example, controlling entry to data centers and limiting access to information on a “need-to-know” basis;
 - (c) Technological measures, for example, the use of passwords and encryption; and
 - (d) investigative measures, in cases where Proponent has reasonable grounds to believe that Hydro One Confidential Information is being inappropriately collected, used or disclosed by anyone whom in law the Proponent is responsible.

HYDRO ONE INC.
Standard Insurance Certificate

Certificate Form A-29

Issued in favour:

Hydro One Inc.
483 Bay Street, TCT08
Toronto, Ontario. M5G 2P5
Attn: Karin McDonald

Insured:

This is to certify that policies of insurance listed below have been issued to the insured named above for the period indicated and cover operations of the insured in connection with: **[insert description of work being performed]**

		Effective	Expiration		
	Policy	Date	Date		
Type of insurance	Number	MM/DD/YR	MM/DD/YR	Limits of Liability	
Commercial General Liability				Each Occurrence Limit	\$
(X) Coverage as stipulated in contract				Annual Aggregate	\$
				Personal Injury Limit	\$
Errors and Omissions					
() If applicable to the Work Performed				Per occurrence and in the Annual Aggregate	\$
Umbrella/Excess Liability				Each Occurrence Limit	\$
				Annual Aggregate	
If applicable to the Work being performed					
() Auto Liability				Each Occurrence Limit	\$
() Crime Insurance				Each Occurrence Limit	\$

Special Condition

The Commercial General Liability and Umbrella/Excess Liability policies shall be endorsed to: I) add Hydro One Inc. as an additional insured but only with respect to liability arising out of the operations of the Contractor. ii) Primary non-contributing with and not excess of any other insurance available to Hydro One Inc. iii) contain a severability of interest clause and cross liability clause.

The Insurer agrees to notify the certificate holder by registered mail not less than 30 days prior to any material change, which reduces or restricts cover, cancellation, termination or non-renewal.

Date:

Name of Insurer:

Signature By: Authorized Official of the Insurance

Company:

Print Name and Title of Above Official

RFP # 700005447 Cost Allocation Study

PROPOSER'S COMPANY NAME: _____

DATED: _____
PRICING MATRIX

A	CATEGORY	DESCRIPTION / NAME	FIXED COST	
		Role Description	Hourly rate	Estimated Time during Phase 2 (%)
	Estimated # of Total hours to complete work			
	<i>insert hours here</i>			
			Total	0.0%
D	Additional Charges	<i>insert any additional charges here and describe reason for charge</i>		\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
			D TOTAL	\$0.00

<---This value must be 100%

PRICES: ■ Currently @ \$0.00 and to be updated with the proposer's unit price. Pricing will be a fixed price model.
 PAYMENT TERMS: ■ Proposers are to specify proposed payment terms i.e. Net 30 days after receipt of an acceptable invoice.
 INVOICES: ■ Invoices are to be tied to accepted deliverables or milestones and upon completion and acceptance of the work.

Statement of Work

for the


[project name]

[Vendor Logo]



Draft

[mmmm,dd,yyyy]

Project: [project name]		Hydro One Networks, Inc.	
Document Name: Statement of Work for [vendor name]			
Division: IM/IT	Version: Draft	[dd,mm,yy]	Page: 2 of 4

Document History			
Version	State / Changes	Date	Author

1 Hydro One – [project name] Project

This document provides an overview of the tasks to be completed by [vendor name] in the Scope of Work (SOW) for the successful completion of the [project name] project.

The goal of this project is to

[remainder of executive summary will go here]

2 Scope of Work for [project name]

2.1 Scope of Work Description

The scope of work is

3 Project Execution Approach

The project execution approach is


4 Assumptions

The following are assumptions

5 Appendices

5.1 Preliminary Schedules [project name] (attached)

(This is a high level schedule)

Project: [project name]		Hydro One Networks, Inc.	
Document Name: Statement of Work for [vendor name]			
Division: IM/IT	Version: Draft	[dd,mm,yy]	Page: 3 of 4

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed, as of the date first written above, by their respective representatives duly authorized in that behalf.

[vendor name]

By:

HYDRO ONE NETWORKS INC.

By:

[Designated representative name]


Sandy Struthers

[title]

Chief Information Officer

I have the authority to bind the corporation.

I have the authority to bind the corporation

Project: [project name]		Hydro One Networks, Inc.	
Document Name: Statement of Work for [vendor name]			
Division: IM/IT	Version: Draft	[dd,mm,yy]	Page: 4 of 4

Appendix A

- [project plan]

CONTRACT STANDARD

Class Number Date
A 29 2011

HYDRO ONE INC. OR ONE OF ITS SUBSIDIARY CORPORATIONS

STANDARD COMMERCIAL CONDITIONS FOR CONSULTING AND PROFESSIONAL SERVICES

October 2011

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1. Definition of Terms

The following terms, wherever used in any contract document, shall mean:

- (1) "Conflict of Interest" - means, but is not limited to, any situation or circumstance where, in relation to the performance of its obligations under this contract, the Consultant's other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or (ii) could or could be seen to compromise, impair or be

incompatible with the effective performance of its obligations under this contract;;

- (2) "Consultant" – means the individual, partnership or corporation who has been retained by the Purchaser to provide consulting and/or professional services;

- (3) "Contract Price" - the stipulated value or sum of value(s) of the fixed price(s) or upset maximum price(s) for the Work (or any portion thereof) set forth in the contract documents as amended by any Instruction Notice. In the case of time and material contracts, "Contract Price" shall mean the product of the rates

stipulated in the contract multiplied by the estimated number of units of time the rates represent for the term of the contract, subject to any subsequent adjustments for : (i) actual eligible units of time incurred; and, (ii) upset maximum amounts. Contract Price excludes the GST/HST.

- (4) "FIPPA" - means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, as amended;
- (5) "Goods and Services Tax" or "GST" means the federal Goods and Services Tax chargeable in accordance with Part IX of the *Excise Tax Act* (Canada), as amended (the "Excise Tax Act"), and includes the additional tax payable under sub-section 165(2) of the Excise Tax Act in respect of a supply made in a participating province;
- (6) "Harmonized Sales Tax" or "HST" - means GST payable for a supply made in a participating province. Ontario is a participating province effective July 1, 2010;
- (7) "Hydro One Home Location Area" – means an area within a 75 kilometer radius of 483 Bay Street, Toronto, Ontario M5G 2P5, and such other Hydro One locations in Ontario designated as such in any of the documents forming part of this contract;
- (8) "Instruction Notice" – a formal executed written document issued by the Purchaser's representative formally amending the Purchase Order in any respect. Any other document purporting to be an instruction notice will be considered invalid;
- (9) "Personal Information" means recorded information about an identifiable individual or that may identify an individual;
- (10) "Proposal" – means the Consultant's submission in response to the Purchaser's Request for Proposal Documents.
- (11) "Request for Proposal Document(s)" or "RFP" - the documents issued by the Purchaser calling for tenders, responses, or proposals for the performance of the Work or for the prequalification to perform the Work, as further stated in the said documents;
- (12) "Purchaser" – means Hydro One Inc. or one of its subsidiaries, whichever of those

corporations has been designated in a contract document;

- (13) "Record" - any recorded information, including any Personal Information, in any form: (a) provided by the Purchaser to the Consultant, or provided by the Consultant to the Purchaser, for the purposes of this contract; or (b) created by the Consultant in the performance of this contract; and shall include or exclude any information specifically described in the purchase order;
- (14) "Unfair Advantage" - any conduct, direct or indirect, by the Consultant at the procurement/bidding stage that may result in gaining an unfair advantage over other parties in the procurement/bidding process, including but not limited to (i) possessing, or having access to, information in the preparation of its Proposal that is confidential to the Purchaser and which is not available to other competitors, (ii) communicating with any person with a view to influencing, or being conferred preferred treatment in, the procurement process, or (iii) engaging in conduct that compromises or could be seen to compromise the integrity of the procurement process and result in any unfairness, including, without limitation, conduct, agreement, or concerted practice between the Consultant and another company or person to, among other things, create a fake bid/submission for comparative purposes, or require a competitor to refrain from bidding, or require a competitor to bid in a certain manner, or share details about their bid, including how they intend to bid; and,
- (15) "Work" - all labour, materials, equipment, deliverables, documentation, services, tools, supplies, and acts required to be done or supplied.

2. Contract Documents and Order of Precedence

- (a) The contract documents shall consist of (1) the Purchaser's Purchase Order ("Purchase Order"); (2) Clarification Documents (if any) agreed to and incorporated into the Purchase Order; (3) Insurance Requirements; (4) Special Terms and Conditions; (5) this Contract Standard (A-29-2011); (6) the Consultant's Proposal and (7) the Request for Proposal Documents (other than those listed above). These contract documents shall, to the extent of

any inconsistency or conflict, take precedence in the order in which they are named.

Appendices and addenda to any contract document shall be considered part of such document. The contract documents form this contract.

- (b) These documents are subject to subsequent amendments to this contract, in the form of Instruction Notices or Change Orders, which shall take precedence over the documents amended thereby.
- (c) No agent, employee or other representative of the Purchaser has authority to make any promise, agreement or representation not incorporated into a contract document, and no promise, agreement or representation whenever made shall bind the Purchaser unless so incorporated formally through the Instruction Notice or Change Order.
- (d) The contract documents and the Work as specified therein shall be interpreted to include all Work reasonably required to provide a result that is fit for the Purchaser's purposes.

3. **The Purchaser's Representative**

The Purchaser shall inform the Consultant as to the identity of its authorized representative, to whom all correspondence, reports and documents shall be addressed. No acceptance, instruction, approval or statement by the Purchaser's authorized representative or by any other representative of the Purchaser shall relieve the Consultant from responsibility for proper performance of the Work.

4. **FIPPA Records and Compliance**

- (a) The Consultant and the Purchaser acknowledge and agree that FIPPA applies to and governs all Records and may require the disclosure of such Records to third parties. Furthermore, the Consultant agrees:
 - (i) to keep Records secure;
 - (ii) to provide Records to the Purchaser within seven (7) calendar days of being directed to do so by the Purchaser for any reason including an access request or privacy issue;
 - (iii) not to access any Personal Information unless the Purchaser determines, in its sole

discretion, that access is permitted under FIPPA and is necessary in order to perform the Work;

- (iv) not to directly or indirectly use, collect, disclose or destroy any Personal Information for any purposes that are not authorized by the Purchaser;
- (v) to ensure the security and integrity of Personal Information and keep it in a physically secure and separate location safe from loss, alteration, destruction or intermingling with other records and databases and to implement, use and maintain the most appropriate products, tools, measures and procedures to do so;
- (vi) to restrict access to Personal Information to those of its directors, officers, employees, agents, partners, affiliates, volunteers or subcontractors who have a need to know it for the purpose of providing the Work and who have been specifically authorized by the Purchaser authorized representative to have such access for the purpose of providing the Work;
- (vii) to implement other specific security measures that in the reasonable opinion of the Purchaser would improve the adequacy and effectiveness of the Consultant's measures to ensure the security and integrity of Personal Information and Records generally; and,
- (viii) that any confidential information supplied to the Purchaser may be disclosed by the Purchaser where it is obligated to do so under FIPPA, by an order of a court or tribunal or pursuant to a legal proceeding;

- (b) The provisions of this Section shall prevail over any inconsistent provisions in this contract.
- (c) The provisions of this Section shall survive any termination, cancellation, or expiry of this contract.
- (d) The Purchaser may immediately terminate this contract upon giving notice to the Consultant where the Consultant breaches any provision in this Section FIPPA Records and Compliance.

5. **Pricing**

- (a) The Contract Price shall be as referenced in the Purchase Order. Unless expressly stated

otherwise in the Purchase Order, as part of the Contract Price, the fixed price, upset maximum (not to exceed) price and/or rates shall be deemed to be gross prices and/or rates. For greater certainty, as part of the Contract Price, the said gross prices and/or rates will include all applicable taxes (except for GST/HST), premiums, levies, duties, and other charges of every kind attributable to the Work, whether or not they are statutory or otherwise, including, without limitation, in relation to the following: insurance; Workplace Safety and Insurance Board (WSIB) or those of a similar body; payroll; health plan; dental plan; drug plan; employment insurance; vacation pay; sick time; bonus pay; Canada Pension Plan; any other pension plan; and, tax equalizations.

- (b) Only the GST/HST shall be shown separately as an extra to the Contract Price.
- (c) The Consultant's prices and/or rates in (a) above shall be deemed to compensate the Consultant for all corporate, executive, and management expenses, general administration expenses, including the services of a project administrator (unless otherwise expressly specified in writing and referenced in the purchase order), accounting, employee relations, clerical staff, secretarial support, normal stationery and office supplies, local telephone, rent, utilities, taxes, depreciation, and Consultant's fees.
- (d) Consultant personnel designated as manager or above, including Project Manager or similar title or function, shall not be charged to the Work unless they are engaged in making a substantial direct technical contribution thereto, or unless otherwise specified in writing. Any effort which contemplates such charges shall require the Purchaser's prior written authorization.
- (e) The following applies to upset maximum (not to exceed price) pricing and time and material pricing. It does not apply to fixed prices:
 - (i) The use of overtime hours on the Work shall be subject to the Purchaser's prior written approval. Overtime hours shall be compensated at straight time hourly rates. The Purchaser shall be entitled to a reasonable reduction in overhead rates to take the increase in billable hours into account.
 - (ii) The services of other consultants shall not be employed without the prior written approval of the Purchaser. Where such approval is obtained, the Consultant shall be reimbursed,

without mark-up of cost, at the per diem or hourly rate charged by the other consultant(s).

- (ii) Contract staff, employed at the Consultant's premises and under its direct supervision, shall be reimbursed at the per diem or hourly rate cost to the Consultant, without mark up, unless otherwise agreed upon in writing with the Purchaser.
- (f) If Purchase Order expressly allows for recoverable expenses, the following expenses will be recoverable at cost, provided they are necessary and reasonable, and were directly and properly incurred for the performance of the Work:
 - (i) traveling and lodging expenses for Consultant personnel while away from their home office (as established for the purpose of this contract), provided that the anticipated expenses are approved in writing in advance by the Purchaser. No traveling or lodging expenses will be reimbursable if the Consultant has an office within the Hydro One Home Location Area and Consultant personnel is required to travel to any location within the Hydro One Home Location Area;
 - (ii) special drawings or reproduction charges;
 - (iii) printing or copying of documents for delivery to the Purchaser in excess of 15 sets; and,
 - (iv) other items approved in advance in writing by the Purchaser.

Recoverable travel-related expenses and other expenses shall also be subject to the Purchaser's *Travel and Expense Guidelines* in effect from time-to-time.

- (g) Under no circumstances will any expenses be recoverable by the Consultant from the Purchaser, either directly or indirectly, for any hospitality, incidental, or food or beverage expenses incurred by Consultant personnel, or anyone acting on behalf of Consultant, including but not limited to expense in respect of:
 - (i) meals, snacks and beverages;
 - (ii) gratuities;
 - (iii) laundry, dry cleaning and valet services;
 - (iv) dependant care; and,
 - (v) personal telephone calls.

6. Accounts and Right to Audit

The Consultant shall keep proper accounts and records of the Work in form and detail

satisfactory to the Purchaser. Such accounts and records, including invoices, receipts, time cards and vouchers shall at all reasonable times be open to audit, inspection and copying by the Purchaser. Accounts and records shall be preserved and kept available for audit until the later of: (i) expiration of two years from the date of completion of the Work and all warranty obligations under this contract; and, (ii) the date of early cancellation of the Work under Section 25 or termination of the Work under Section 27 hereof.

7. **Elimination of the Ontario Retail Sales Tax**

The Ontario Retail Sales Tax ("ORST") was eliminated effective July 1, 2010. The Consultant covenants and agrees that any cost savings as a result of the elimination of the ORST will be fully reflected in the amounts charged to the Purchaser under this contract. The Consultant will provide such information as the Purchaser may reasonably request to confirm that the full effect of all savings as a consequence of the elimination of the ORST are reflected in the prices, fees, and costs charged to the Purchaser.

8. **Proprietary Rights, Confidentiality**

- (a) Both parties retain all rights to methodology, knowledge, and data brought to the Work and used therein. No rights to proprietary interests existing prior to the start of the Work are passed hereunder other than rights to use same as provided for below. The Consultant shall not knowingly incorporate into the Work any data, software or hardware the use of which by the Purchaser violates the proprietary rights of third parties.
- (b) All right, title, and beneficial ownership interests to all intellectual property, including copyright, of any form, including, without limitation, discoveries (patented or otherwise), software, data (hard copies and machine readable) or processes, conceived, designed, written, produced, developed or reduced to practice in the course of the Work shall irrevocably vest in and remain with the Purchaser. The Consultant shall not do any act which may compromise or diminish the Purchaser's interests as aforesaid.
- (c) The Consultant grants to the Purchaser a non-exclusive, paid-up, irrevocable, perpetual license to use any data and other proprietary items incorporated into the Work by the Consultant hereunder. Provided it is part of the Consultant's proposal and incorporated into this

contract, the Consultant may reserve the right to incorporate into the Work data or other proprietary property for the use of which the Consultant wishes to charge a fee stipulated in the said proposal and incorporated into this contract. If the Consultant's proposal does not contain the fee, the Consultant shall be deemed to have waived any such fee. The Purchaser shall have the right to exploit such data and property and to license same to third parties provided that such licenses contain reasonable reservations of proprietary rights in favor of the Consultant (which may be included in a general reservation, but shall contain the same order of legal protection as the Consultant uses when distributing such data or property to third parties) or provided the use of same does not reveal information proprietary to the Consultant.

- (d) Except as required in the performance of the Work or as authorized in writing by the owner, each party shall keep confidential all personal, customer, and proprietary information of the other ("confidential information"), including, without limitation, all unpublished business and technical information, papers, or records, however produced. The Consultant remains responsible if any confidential information is disseminated to its sub-consultant. These obligations of confidentiality shall survive completion and/or early termination or cancellation of this contract and shall apply for a period of five years from the date of the last invoice submitted by the Consultant hereunder. In addition to the foregoing, if requested by the Purchaser, the Consultant shall sign a more extensive and stringent confidentiality agreement. In all cases, if requested by the Purchaser, the Consultant agrees to obtain for the Purchaser the written agreement of the Consultant's employees, sub-consultants, and agents to protect all confidential information.

9. **Purchaser's Code of Business Conduct: Conflict and Interested Persons**

- (a) The Consultant acknowledges and agrees that the Purchaser's directors, officers, employees, agents, representatives, and business partners are bound by the Purchaser's Code of Business Conduct.
- (b) The Consultant will not take any action that would cause the Purchaser or any of its directors, officers, employees, agents, representatives, or business partners to be in breach of any of the obligations set out in Hydro One's corporate Code of Business Conduct. A current copy of the code may be

reviewed by downloading the electronic document by following the appropriate link at the following hyperlink:
<http://www.HydroOne.com/CodeofConduct>

- (c) In connection with any of the Work under this contract, the Consultant covenants and agrees, not to offer or give directly or indirectly to any of the Purchaser's employees or representatives, or their immediate family members (including their common law relationships) known to the Consultant to the best of its knowledge and belief, each of the foregoing persons an "Insider", collectively "Insiders", any of the following:
- (i) any form of bribe or kickback;
 - (ii) gifts of cash, gift certificates, services, discounts, or loans;
 - (iii) any gift, entertainment, or similar type of benefit that does not serve a legitimate business purpose; or
 - (iv) any gift, entertainment, or similar type of benefit that may compromise or appear to compromise their ability to make business decisions in the best interest of the Purchaser.
- (d) The Consultant further represents, warrants, and covenants that, at the commencement of this contract, and throughout its term, to the best of the Consultant's knowledge and belief, no Insider has (or will have) an interest (whether directly or indirectly, or personal, or financial), in the supplies, work, or business to which this contract relates, or in any portion of the profits thereof, or in any monies to be derived therefrom ("Insider's Interest"); however, there is no breach of the foregoing where:
- (i) at the time of entering into this contract, the Consultant has disclosed all relevant facts known to it concerning the Insider's Interest, and the Purchaser has provided the Consultant with a written determination, made at the Purchaser's sole and absolute discretion, that the Insider's Interest:
 - A. does not have potential for real or perceived Conflict of Interest, or
 - B. has a potential for real or perceived Conflict of Interest but it can be managed in a way that protects the integrity and reputation of the Purchaser, and would withstand the test of reasonable and independent scrutiny, and a suitable method of monitoring and managing such real or perceived conflict

has been determined and is implemented.

- (ii) the Consultant is a publicly-traded company that offers its registered securities to the general public and the Insiders, collectively, have an insignificant interest in the stock of that company, not to exceed a total of five per cent of the outstanding stock of the company.

10. **Conflict of Interest in Performance of Work and Unfair Advantage**

- (a) The Consultant represents and warrants that there is no Conflict of Interest between the performance of the Work outlined in the contract documents and its performance of Work and provision of services to other customers, and this warranty shall survive the execution of this contract.; during the performance of the Work, should any such Conflict of Interest be discovered, the Consultant covenants to immediately advise Purchaser of same, and Purchaser may, at its discretion, terminate this contract, or any part thereof, for cause under Section 10 herein.
- (b) The Consultant further represents, warrants, and covenants that, prior to the award of this contract, to the best of the Consultant's knowledge and belief, no Unfair Advantage existed. Should the Purchaser discover the Consultant's failure to have disclosed all material details in connection with any Unfair Advantages at the procurement/bidding stage, the Purchaser may, at its discretion, terminate this contract, or any part thereof, for cause under Section 10 herein.

11. **Surety Bonds – Performance, Labour and Material Payment; Other Security**

- (a) Surety Bond - At Purchaser's request, at any time, and from time to time, the Consultant may be required to furnish one or more surety bonds (being a performance bond(s) and/or a labour and material payment bond) in a form satisfactory to the Purchaser and in an amount up to 100 percent of the Contract Price.

The surety shall be acceptable to the Purchaser and licensed to issue such surety bonds in the Province of Ontario. The Consultant shall maintain the surety bonds in good standing until the fulfillment of its obligations under this contract.

- (b) Other Security - At Purchaser's request, at any time, and from time to time, the Consultant may be required to furnish other security for contract performance, in a form and amount satisfactory to the Purchaser, such as a guarantee by a parent company (if applicable), a bank letter of credit, bank guarantee, a monetary deposit, or personal property security documentation.
- (c) Reimbursement for Cost of Surety Bonds –
 - (i) If not requested for in the Tendering Documents, or,
 - (ii) if requested in the Tendering Documents and the cost thereof is shown separately in the Tender,

then following the issuance of a surety bond, the Consultant will be reimbursed for the cost thereof (if any, and without mark-up of cost by Consultant) at rates no more than the prevailing industry rates, 30 days after receipt of actual invoice accompanied by evidence of payment to the surety. After payment of the initial premium, the Consultant shall at its expense maintain the surety bond, and/or other security for contract performance in good standing for the duration of this contract, until fulfillment of its obligations under this contract. There will be no reimbursement of costs in relation to surety bonds in other circumstances or for the costs of any other security.

- (d) Failure to Furnish Surety Bonds or Other Security - Failure to furnish the surety bonds, or other security within two weeks from the date of request, made at any time, therefor by the Purchaser, shall make any award of contract by the Purchaser subject to withdrawal and shall also entitle the Purchaser to the payment of any damages it may suffer as a result. If this contract has already commenced, the failure to furnish such surety bonds or other security will, at the Purchaser's sole discretion, entitle the Purchaser to terminate this contract for cause.

12. **Inspection and Warranty**

The Purchaser's authorized representative shall have the right, without any obligation to exercise that right, to inspect the Work at all times and may reject any part thereof which is found to be

not in accordance with this contract and any applicable standards, including without limitation, applicable professional and safety standards, and any standards customary in the industry, and those imposed by law, including statutes, regulations, orders, guidelines, and judgments. However, the exercise by the Purchaser of its right to inspect shall not be construed to diminish any of the Consultant's duties and obligations under this contract. Any of the Work so rejected shall be promptly redone by the Consultant at its expense. This shall include, but not be limited to, all drawings and data prepared by the Consultant under this contract which are found, within a period of one year from date of transmittal to the Purchaser, to be incomplete or inaccurate due to a failure to comply with said standards.

13. **Escorted Access**

- (a) If any of the Work or services provided pursuant to this contract requires entry to one or more of the Purchaser's transmission stations, switching stations, distribution stations or control centres by the Consultant or its sub consultants or any person providing services to, or acting on behalf of, the Consultant or its sub consultants (collectively, the "Entrants"), no Entrant shall be permitted entry to any of the said premises unless accompanied at all times by an employee of the Purchaser or another person appointed by the Purchaser to provide such accompaniment. It shall be the responsibility of the Consultant to arrange such accompaniment, and the Consultant shall ensure that no Entrant shall enter or attempt to enter the said premises without such accompaniment. The Purchaser may, at its sole discretion, waive in writing the requirement for the Consultant to be escorted when entering transmission stations, switching stations, and distribution stations.

- (b) The Consultant shall obey all rules and regulations established by the Purchaser regarding the premises to which the Consultant has access and projects on which the Consultant performs the Work.

14. **Safety**

If the Work includes field work, the Consultant shall comply with all relevant safety rules and regulations, including, without limiting the generality of the foregoing, those established by the Purchaser.

15. **Purchaser's Limitation of Liability**

Subject to all other exclusions and limitations anywhere in the contract documents, the Purchaser's maximum liability to the Consultant, or anyone claiming through the Consultant, shall not exceed an amount equal to the lesser of: (i) the Contract Price, and (ii) one hundred thousand dollars (\$100,000). In no event shall the Purchaser be responsible for any losses or damages that are indirect, consequential, punitive, or for economic loss, loss of revenues, loss of profits, loss of business opportunity, or as a result of fines levied by governmental or regulatory authorities or the courts.

16. **Consultant's Manager/Staff: Consultant Not Agent**

- (a) Prior to commencing the Work, the Consultant shall appoint a manager or professional as Project Manager who will be responsible for the administration and co-ordination of all phases of the work. All staff of the Consultant employed on the project shall have the knowledge, abilities, experience, and qualifications required for the Work and shall be committed to the Work. The Consultant must provide such additional support as may be required from time to time for the proper performance of the Work, and as may be necessary for completion of the Work within any completion date.
- (b) Changes to Consultant personnel and support staff shall require the Purchaser's prior written approval. The Purchaser may request, at its discretion, that the dedicated project individual(s) be changed. The Consultant shall endeavor to accommodate such requests.
- (c) The Consultant shall have no authority to bind the Purchaser or to assume or create any obligation or responsibility expressed or implied on the Purchaser's part, or in its name, nor shall it represent to anyone that it has such power or authority, except as expressly provided in this contract.
- (d) The Consultant is independent from the Purchaser at all material times. Any subcontractor performing services on behalf of the Consultant shall be deemed to be an "agent or employee" of the Consultant, and under no circumstances be considered to be an agent or employee of the Purchaser.

17. **Assignment or Subcontracting**

Neither party shall assign or subcontract this contract or any portion thereof without the prior written consent of the other; but, notwithstanding

the foregoing, the Purchaser may, without the Consultant's consent, assign this contract or any portion thereof to one an affiliate, as "affiliate" is defined under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended.

18. **Offshore Consultants**

The Consultant is responsible for applying to the Government of Canada for admission of personnel into Canada and for obtaining work permits where required. The Consultant will be required to obtain customs clearance and pay duties and taxes where applicable, for goods or tools used in the performance of the Work or imported into Canada. Assistance with clearance of goods will be provided by the Purchaser if requested.

19. **Withholding Tax**

- (a) Certain amounts paid or credited to non-residents of Canada are subject to income tax withholding in accordance with rates and conditions set forth in the *Income Tax Act* and tax treaties. This tax is remitted to Canada Revenue Agency (CRA).
- (b) For U.S.-based Consultants:
 - (i) a 15% withholding tax is required on the gross amount payable for services rendered in Canada (e.g. consulting fees, maintenance fees).
 - (ii) a withholding tax is required on rentals, royalties and similar payments (including payments for the rights to use computer software). The rate is 25% but is generally reduced to 10% under the Canada-U.S. Tax Convention, and is zero in certain circumstances. Where the Consultant either provides representation acceptable to the Purchaser, that it does not carry on or has not carried on business in Canada through a permanent establishment ("p.e.") and that the payments are not effectively connected to such p.e., or alternatively, the Purchaser is provided with a CRA waiver from the withholding requirement, the Purchaser will apply the 10% withholding or zero withholding to the payments, as applicable. In either case, the Consultant must indemnify the Purchaser for any tax, penalties and interest that may be assessed to the Purchaser by the CRA for failure to withhold the required tax (i.e. 25%) from the payments. The Consultant agrees to notify the Purchaser within thirty

days of commencing to carry on a business in Canada through a permanent establishment to which the payments due under this contract are effectively connected.

- (iii) Each February, the Purchaser issues CRA forms, either a NR4 or T4A-NR (depending upon the nature of the payment made) to all non-resident Consultants who were paid by the Purchaser during the previous year.
- (c) Under no circumstances will Purchaser:
- (i) make any tax equalization payments of any kind to Consultant; and,
 - (ii) have any liability for any of the Consultant's income, payroll, or capital (including large corporation) taxes imposed by any governmental authority in connection with this contract.

20. **Equipment Owned by the Purchaser**

- (a) Equipment authorized by the Purchaser for purchase by the Consultant or supplied to the Consultant by the Purchaser shall be used solely in the performance of the Work in a manner authorized by this contract; any use of the equipment for any other purpose or manner is strictly prohibited and will constitute an improper use of the Purchaser's equipment. The Consultant acknowledges and agrees that any improper use of the Purchaser's equipment will constitute a breach of the Consultant's duty of good faith and loyalty to the Purchaser, and a breach of this contract. In addition to all other rights and remedies available to the Purchaser, at Purchaser's sole and absolute discretion, improper use of the Purchaser's equipment will be cause for immediate termination of this contract under Section 20 herein. For any improper use of Purchaser's equipment, the Consultant will pay the Purchaser, as liquidated damages and not as a penalty, an amount equal to the greater of (i) five thousand dollars, or (ii) the amount of revenues generated, directly or indirectly which, the improper use of such equipment facilitates. Any damage, loss, or other diminution in value of equipment shall be additional to liquidated damages. Title to such equipment shall remain with the Purchaser. Equipment shall be clearly identified as property of the Purchaser. The Consultant shall be responsible for safeguarding such equipment (including without limitation, safety of Consultant and others from the equipment) while in its custody or control, maintaining a system of inventory control acceptable to the Purchaser. The Purchaser shall have reasonable access to

the premises of the Consultant for the purpose of verifying records and auditing inventories of such equipment.

- (b) Following completion of the Work or early cancellation or termination of this contract, the Consultant shall, unless otherwise directed, make all such equipment immediately available for pickup by the Purchaser. The Consultant shall be liable for the repair or replacement of all equipment owned by the Purchaser which becomes damaged or lost while in the custody or control of the Consultant. The Consultant shall maintain insurance, in which the Consultant and the Purchaser shall be named jointly as insured, covering the full replacement value of all such equipment against the risk of loss or damage.

21. **Invoicing**

- (a) Charges for services rendered and reimbursable expenses incurred may be submitted monthly unless otherwise specified in the purchase order. Invoices shall be in such detail and format as specified from time to time by the Purchaser. Payment of acceptable invoices shall be made 30 days after receipt thereof.
- (b) The GST/HST, together with the registration number for same, shall be shown separately on all invoices. The Consultant shall deduct all recoverable GST/HST paid from reimbursable expenses before adding GST/HST to amounts to be invoiced to the Purchaser.
- (c) If at any time during the performance of the Work there are deficiencies in the Work, including non-delivery of an acceptable final report, the Purchaser shall have the right to withhold from any invoice an amount that, in the Purchaser's opinion, takes into account the deficiencies. Any amount withheld will be paid 30 days after receipt of invoice submitted after the Purchaser's approval of the correction of deficiencies.

22. **Insurance and WSIB Coverage**

In connection with the performance of any Work pursuant to these terms and conditions, the Consultant covenants and agrees to maintain insurance coverage, as well as registration and coverage under *Workplace Safety and Insurance Act, 1997*, S.O. 1997, as amended ("WSIB Coverage"), in accordance with the terms and limits of the Purchaser's document titled "Insurance Requirements", or in accordance with such other document identified in the purchase order that requires the

Consultant to maintain insurance coverage and WSIB Coverage.

23. **Progress Reports**

The Consultant shall forward to the Purchaser on or before the 20th day of each month, a progress report in such form and detail as may reasonably be requested by the Purchaser, showing the progress of the Work to the end of the preceding month. Such report shall also include a summary of the costs to date, estimated cost to completion of the Work, an explanation of any variance from the original estimate, and shall disclose accurately and clearly any other facts concerning the transaction which the Consultant believes are relevant. The Consultant shall notify the Purchaser immediately upon having expended or committed 80% of the authorized funds.

24. **Completion of the Work**

The Consultant shall complete the Work in a diligent, professional, prudent, and workmanlike manner in accordance with the schedule set forth in this contract and, if necessary, will increase the level of effort/resources necessary to ensure the schedule is maintained. Any price or funding limitations shall not be exceeded without the Purchaser's prior written authorization, notwithstanding any extra efforts required to maintain schedule.

25. **Contract Cancellation**

- (a) The Purchaser shall have the right, which may be exercised at any time, and from time to time, to cancel this contract, or any uncompleted or unperformed portion of the Work or part thereof.
- (b) Unless otherwise agreed in writing between the Consultant and the Purchaser, in the event of such cancellation, the Purchaser shall be obligated to pay the Consultant only for reasonable, necessary, unavoidable, and unrecoverable direct costs incurred by Consultant by reason of any undertakings or commitments by Consultant prior to the expiry of the notice period. Such costs are to be supported by audit, if required by Purchaser, performed by auditors acceptable to the Purchaser. The Purchaser will not be liable for any other amounts. The Consultant shall not undertake any forward commitment after receipt of notice of cancellation.
- (c) Title to all Work for which reimbursement is

made shall vest with the Purchaser. The above payment procedure shall not apply to situations in which the Purchaser is entitled to terminate this contract by reason of default by the Consultant in the performance of its obligations.

- (d) The Purchaser shall not be liable to the Consultant for loss of anticipated profit on the cancelled portion or portions of the Work, or any other incidental, indirect or consequential damage.
- (e) The Consultant shall not undertake any forward commitment after receipt of notice of cancellation.
- (f) The remedies in this Section 25 shall be the Consultant's sole and exclusive remedies for cancellation of this contract.

26. **Suspension of Work**

- (a) The Purchaser shall have the right, which may be exercised from time to time without invalidating this contract, to delay the start date or suspend performance by the Consultant of any part or the whole of the Work for such reasonable period of time as the Purchaser may notify the Consultant. Except to the extent any such delay or suspension arises from default by the Consultant, the Purchaser shall pay to the Consultant the pre-approved actual necessary, reasonable, unrecoverable, and unavoidable extra direct expenses incurred by the Consultant arising from the suspension, provided that in no event will the Purchaser be liable to the Consultant for loss of profit, loss of revenues, interest loss, loss of business opportunity, or any other damages or loss occasioned to the Consultant by reason of any such Work suspension. Such extra expenses shall be supported by audit, if required by the Purchaser, carried out by auditors acceptable to the Purchaser, prior to payment of same.
- (b) The resumption and completion of the Work after the suspension shall be as established by the parties having regard to the duration of such delay or suspension, and the nature of the Work.

27. Default by Consultant - Termination

- (a) Without limitation, the following actions by or circumstances relating to the Consultant shall constitute default on the part of the Consultant:
 - (i) committing any act of insolvency or bankruptcy, voluntary or otherwise;
 - (ii) having a receiver appointed on account of insolvency or in respect of any property;
 - (iii) making a general assignment for the benefit of creditors;
 - (iv) failing to pay accounts relating to the Work as they come due;
 - (v) failing to prosecute the Work with skill and diligence;
 - (vi) assigning or subletting this contract or any portion thereof without the required consent;
 - (vii) failing or refusing to correct defective or deficient Work;
 - (viii) being in breach of sub-Section 9(d)
 - (ix) failing to disclose all material details in respect of an Unfair Advantage during the procurement/bidding stage, or of a Conflict of Interest at any point, or being in breach of Section 10(b) hereof;
 - (x) being otherwise in default in carrying out any of its obligations under this contract, whether such default is similar or dissimilar in nature to the causes listed previously.
 - (b) Notice that the Consultant is in default shall not be required if the default relates to the bankruptcy, insolvency or financial instability of the Consultant. Ten days' written notice shall be given in the event of other defaults.
 - (c) If the Consultant is in default under this contract, then the Purchaser shall be entitled to:
 - (i) take possession of all of the Work in progress;
 - (ii) eject and exclude from the Purchaser's premises all personnel of the Consultant and any sub-consultant;
 - (iii) terminate the Purchaser's utilization of the Consultant to perform the Work;
 - (iv) finish the Work by whatever means it may deem appropriate under the circumstances;
 - (v) withhold any further payments to the Consultant until its liability to the Purchaser is ascertained.
 - (d) The Consultant shall be liable to the Purchaser for:
 - (i) the extra expense of finishing the Work, including compensation to the Purchaser for additional managerial and administrative services;
 - (ii) the cost of correcting defects (if any) in that portion of the Work performed by the Consultant; and
 - (iii) all other loss, damage and expense occasioned to the Purchaser by reason of the Consultant's default.
 - (e) Any action by the Purchaser under this Section 27 shall be without prejudice to the Purchaser's other rights or remedies under law or under any surety bond or other security held by the Purchaser for performance of this contract by the Consultant.
 - (f) The Consultant's performance under this contract, whether or not a default has occurred, may impact the Purchaser's assessment of the Consultant to perform future work by the Purchaser or its affiliates.
28. **Qualifications**
- (a) The Consultant, the supervisor and employees, representatives and agents, and sub-consultants must be able to demonstrate that he, she or it has Qualified and Competent workers with suitable experience and adequate equipment to carry out the specified work safely. The Consultant shall rectify immediately safety rule violations by its employees and sub-consultants. Refusal to do so and or repeated violations will result in permanent removal of the offender from the work or cancellation of this contract. The definitions of Qualified and Competent are as follows:
 - (i) "Qualified" means a person who is accepted as satisfactory in reference to experience, personal competency, and familiarity with rules, procedures, apparatus, and dangers involved in the work.

- (ii) "Competent" means a person who:
 - A. is qualified because of his or her knowledge, training and experience to organize and perform the work;
 - B. is familiar with the provisions of the *Occupational Health and Safety Act*, R.S.O. 1990, c.O.1, as amended, and the Purchaser's corporate policies and procedures set forth herein that apply to the work;
 - C. has the requisite knowledge of any potential or actual danger to health and safety in the workplace;
 - D. is fit to perform the work, both physically and mentally; and,
 - E. is at least 18 years of age or such higher age as may be prescribed by law.

29. **Security/Safety Measures**

(a) Site Access

- (i) The Consultant may, during the term of this contract, be required to complete and submit to Purchaser, Personnel Risk Assessment Forms as provided in the Request for Proposal Documents, for any and all personnel expected to have access to any of the properties, offices, or confidential or proprietary information of the Purchaser for the purpose of assisting the Consultant to provide any of the said services.
- (ii) Once security checks have been successfully completed, the Purchaser will issue letters to the Consultant's representative authorizing site access to each applicant. The Purchaser's letter must be presented prior to access to the Purchaser's sites.
- (iii) The aforementioned security requirements shall remain in force during the entire term of this contract. Notwithstanding anything else in this contract:
 - A. If stated in this contract and/or If so instructed by the Purchaser in writing, the Consultant shall not commence providing the said services prior to the Consultant's receipt of the Purchaser's letters authorizing site access to each applicant. The Purchaser's letter must be presented prior to access to the Purchaser's sites;

- B. if the security status changes of any personnel, employee or subcontractor employee during the term of this contract, the Consultant shall not continue providing the said services utilizing the employee or subcontractor employee until such time as the Consultant receives from the Purchaser a letter authorizing site access based on said changed security status. In such an event, the Consultant shall diligently endeavour to complete the Work in accordance with the schedule set forth in this contract and, if necessary, will increase the level of effort necessary to ensure the schedule is maintained. Any price or funding limitations shall not be exceeded without the Purchaser's prior written authorization, notwithstanding any extra efforts required to maintain schedule. The Purchaser may in its sole discretion and without any cost to the Purchaser refuse access to the Purchaser's properties, offices, or confidential or proprietary information to any any worker (Consultant personnel, employee or subcontractor employee) with a criminal record. If the Purchaser does not refuse access to the Project Site to any such worker with a criminal record, the Consultant will not be relieved of any of its obligations under this contract respecting that worker and the Consultant will remain completely responsible for all actions and failures to act of all workers of the Consultant and any subcontractors while at the Project Site; and,

- C. in addition to any other remedy that the Purchaser may have against the Consultant as a result of the Consultant's failure to comply with all the terms of this Section, the Consultant shall, to the extent that delay in providing the said services occurs as a result of the non-delivery of signed and witnessed Personnel Risk Assessment, Authorization and Release forms as required by (i) and (ii), be liable to the Purchaser for all damages arising out of the said delay.

(b) Security

- (i) The Consultant shall protect Purchaser Property and computer resources against damage and waste including, without

limitation, following all rules established for protection against computer viruses.

- (ii) The Purchaser retains the right to terminate for cause this contract or stop the Work at any time should the Purchaser in its sole discretion determine that any Consultant Staff Member is a security risk and/or the information provided in the Personnel Risk Assessment form or any other security related documentation was misleading or incorrect.
- (iii) The Consultant shall obey all rules and regulations established by the Purchaser regarding the premises to which the Consultant has access and projects on which the Consultant performs the Work.

30. **Indemnification**

The Consultant shall indemnify and hold harmless the Purchaser and its agents, employees, directors, officers, shareholders, partners and affiliates, from and against all claims, demands, losses, costs, expenses (including, but not limited to court costs, legal fees and disbursements) damages, actions, suits, proceedings, or fines (imposed by third parties, including, without limitation, the provincial or federal governments or the courts thereof or any governmental agencies), that arise out of or result from or are attributable to the Consultant's performance of this contract (hereinafter called "claims") or relating to environmental, health or safety hazard(s) or condition(s) to the extent that such claims are caused by breach of contract or negligent or wilful acts or omissions of the Consultant, any sub consultant and anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. The said indemnification shall apply whether the claims are in tort or in contract and whether the claims are for direct damages, indirect damages, punitive damages, economic loss, loss of revenues, loss of profits, or as a result of fines.

31. **Interpretation of Contract Liability**

If at any time there is more than one legal entity constituting the Consultant, their covenants under this contract shall be considered to be joint and several and apply to each and every entity. If the Consultant is or becomes a partnership or joint venture, each legal entity

who is a member or becomes a member of the partnership or joint venture or its successors is and continues to be jointly and severally liable for the performance of the services and all the covenants of the Consultant pursuant to this contract whether or not that entity ceases to be a member of the partnership, joint venture or its successor.

32. **Notices**

- (a) Notices to the Purchaser shall be addressed to the General Counsel, Hydro One Inc., 483 Bay Street, 15th Floor, North Tower, Toronto, Ontario M5G 2P5. Such notices shall be effective upon receipt.
- (b) Notices to the Consultant shall be effective upon delivery to the Consultant or the sending of same by registered post to the Consultant's last address recorded with the Purchaser.

33. **Re-employment of Former Employees**

- (a) The Purchaser has a policy restricting the involvement, in the Purchaser's contracts, of former employees of Ontario Hydro or Hydro One Inc. or its subsidiaries that left those corporations under various staff reduction programs from 1992 onward. These restriction apply when (a) such former employee(s) owns 10% or more of the shares of a company, or (b) such former employee(s) perform the contracted service, regardless of the manner of contracting (whether as an employee, consultant, contractor or otherwise).
- (b) Accordingly, where 10% or more of a company is owned by such former employee(s), or where it is anticipated that such former employee(s) will be utilized in the performance of this contract, the Consultant shall identify the individual(s) involved and the details of their ownership or employment with the Consultant. The Consultant represents and warrants that this disclosure was correctly made in its Proposal or response to the Purchaser, and that the same is true as of the date of entering into this contract. This disclosure shall remain a continuing disclosure obligation of the Consultant during the performance of this contract.

34. **Interpretation of Contract and Disputes**

- (a) This contract shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
- (b) The parties irrevocably submit to the exclusive jurisdiction of the courts of Ontario and the

Federal Court of Canada. All disputes in connection with this contract shall be commenced and heard in a court of competent jurisdiction in Toronto, Ontario.

35. **Laws, Regulations, and Codes**

The Consultant shall comply with all federal, provincial, and municipal statutes, regulations, bylaws, standards, and codes which are applicable to the Work.

End of A-29-2010 Document

BID SYSTEM

Hydro One BID System User Guide



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At a Glance – Doing Business for Hydro One

In late 2011, Hydro One embarked on a new initiative to improve the ways it conducts business with its suppliers with the launch of its new Bidder Information Database (BID) System.

All suppliers must register on the [Supplier Self Registration website](#) to become a Bidder.

After successfully registering, Bidders will be able to access the Hydro One BID System and search the website for bid opportunities of interest. Bidders will then register for each individual RFx that interest them and will be able to download the requirement, receive addenda, and prepare a submission accordingly.

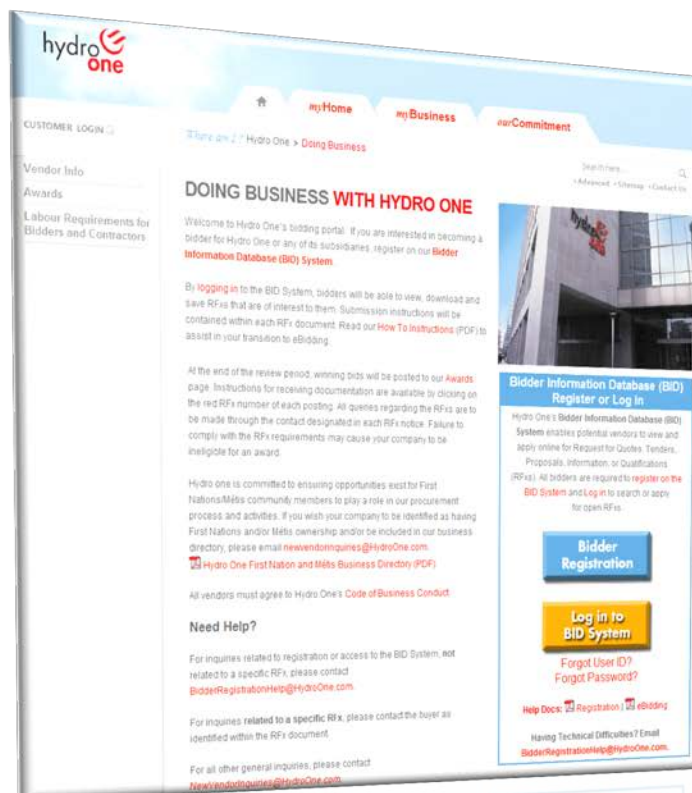
Remember, Suppliers must register to become a Bidder to be able to access and use this service. Please click [here](#) to register in the BID System.



Key Concepts:

- Only RFQs are going to be submitted in the BID System.
- All other RFx (RFP, RFPQ, RFI, RFT) will be submitted as directed in the individual RFx.
- Bidders can retrieve all RFx types from the BID System.

Note: This material supports Bidder data only. Supplier data is maintained separately. (Supplier data is the vendor number that Hydro One uses to issue Purchase Orders, while the Bidder data is the bidder number used in the BID System.)



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Section 01: Getting Started – BID System Registration

The Supplier Registration process is a one-time free process. If you require multiple employees within your organization to be able to access the BID System, please have the employees involved create a common account that can be accessed by the necessary staff.

System requirements: It is recommended that you use Internet Explorer as the browser that best supports the BID System.




1. To register for the BID System, using **Internet Explorer**, go to <http://www.HydroOne.com/doingbusiness>
2. Now on the **Doing Business With Hydro One** page, click on **Bidder Registration**;

The screenshot shows the 'Doing Business With Hydro One' page. A red box with the number '2' is on the left, with a red line pointing to the 'Bidder Registration' button in the 'Bidder Information Database (BID) Register or Log in' section. The page content includes a navigation bar, a search bar, and various sections for vendors and bidders.

3. In the new window that opens up, fill in the form, assuring that the required fields (*) are complete.

Welcome to Hydro One Bidder Self-Registration

HYDRO ONE NETWORKS INC.
483 Bay Street
North Tower, 15th Floor
Toronto, Ontario M5G 2P5
Canada



To register yourself as a Bidder, enter your data and choose Submit

* Required Entry

Company Details

Name of Company (Legal Name) *

GST/HST Number

Company Structure *

I wish to self-identify as an Aboriginal Business * Yes No

Address Data

Name

Title *

First name *

Last name *

Choose Your UserID *

E-Mail Address * Home page URL

Confirm E-mail Address *

Telephone * Extension

Fax Extension

Street Number

Building

Floor Room Number

City * Province/State

Postal/Zip Code *

Country *

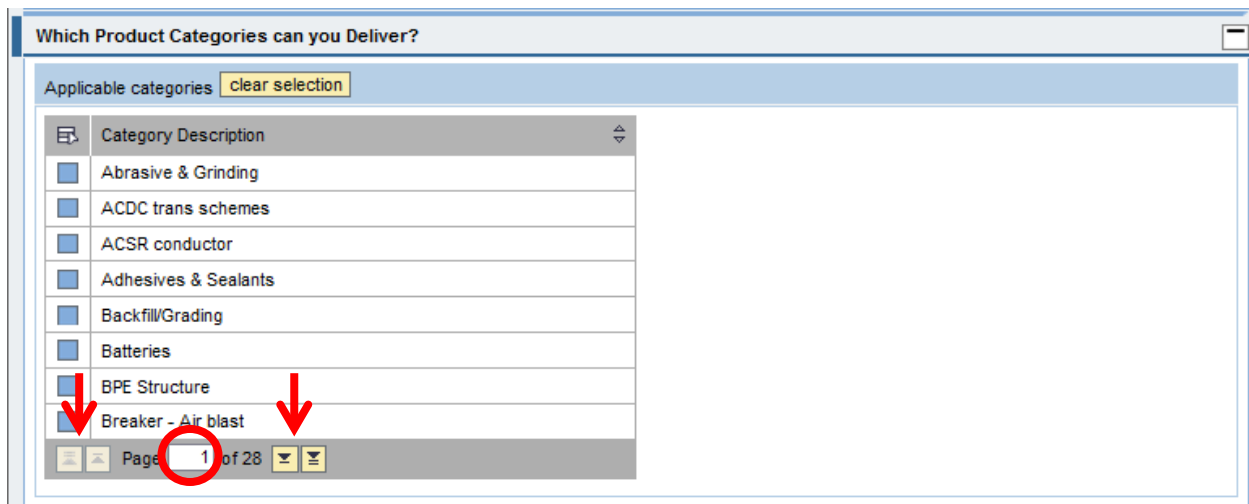
P.O. Box

PO Box Station

The following table provides a further description of the fields. *Required Entry.

Field	Description
Company Details	
Name of Company (Legal Name) *	Legal Name of the Company (Max: 40 characters)
GST/HST Number	First 9 digits of the GST/HST Registration Number (optional)
Company Structure *	01 – Corporation 02 – Partnership 03 – Sole Proprietor 04 – Joint Venture
Aboriginal Business *	If you are an Aboriginal Business and wish to be identified as such, select yes.
Address Data	
Please fill out the required fields *	<p>Title*: Title of the contact person (Mr., Mrs., Ms. or Dr.)</p> <p>First Name*: First name of the primary contact</p> <p>Last Name*: Last name of the primary contact</p> <p>Choose Your User ID*: Create a unique login Identification</p> <p>Email Address*: Email address of the primary contact</p> <p>Telephone Number*: Telephone # of the primary contact (including area code)</p> <p>Telephone Extension: Telephone extension # of the primary contact</p> <p>Home Page URL: Webpage URL for the company</p> <p>Fax Number: Fax # of the primary contact</p> <p>Fax Extension: Fax extension # of the primary contact</p> <p>Street, Number, Building, Floor, Room Number: Specific to the registered company's address</p> <p>City*: City, town, municipality of the company being registered</p> <p>Province/State: Province, State or equivalent</p> <p>Postal Code*: Postal Code, Zip Code or the equivalent to the company's address</p> <p>Country*: Country of the company</p> <p>PO Box, PO Box Station, : Specific to the registered company's address</p>

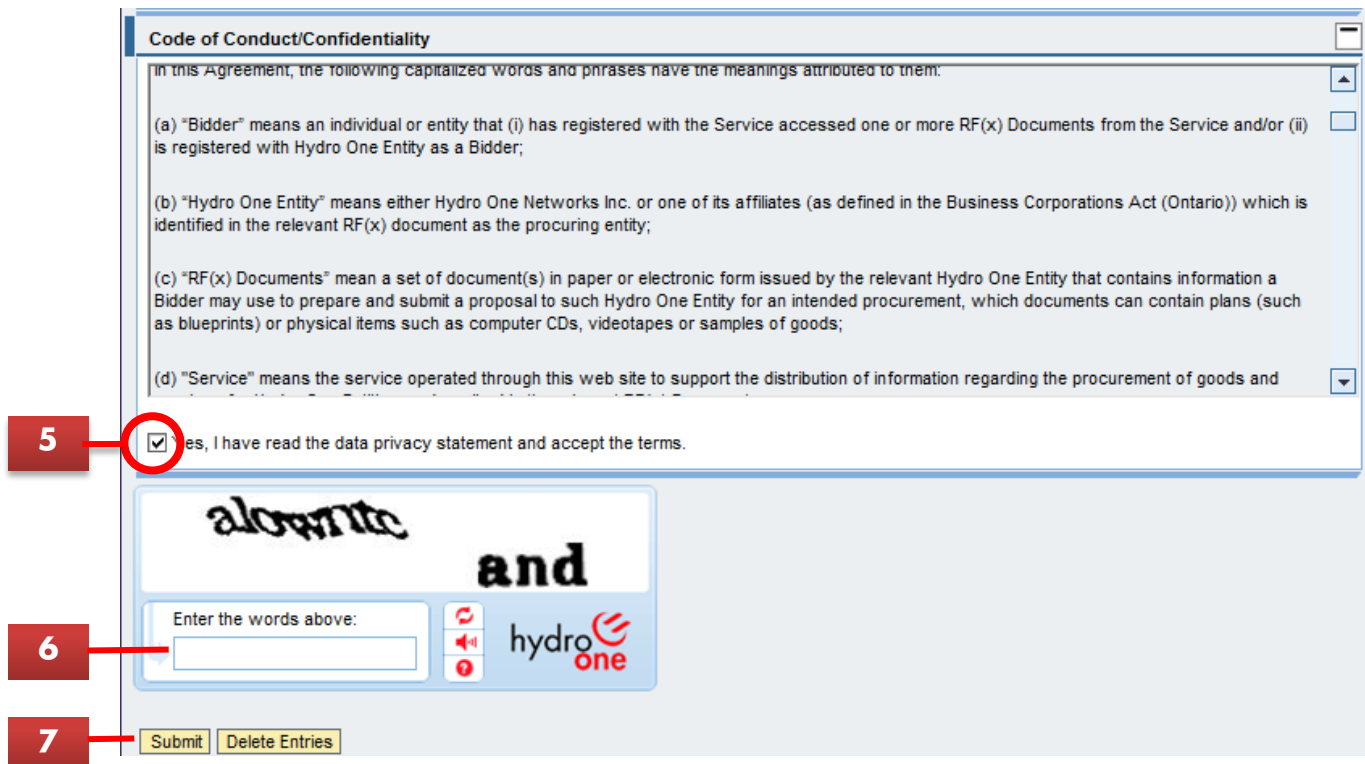
4. Select all of the Product / Service categories that your company delivers. Note that regardless of the category that you choose, you will still be able to access all of the RFXs open to the public.



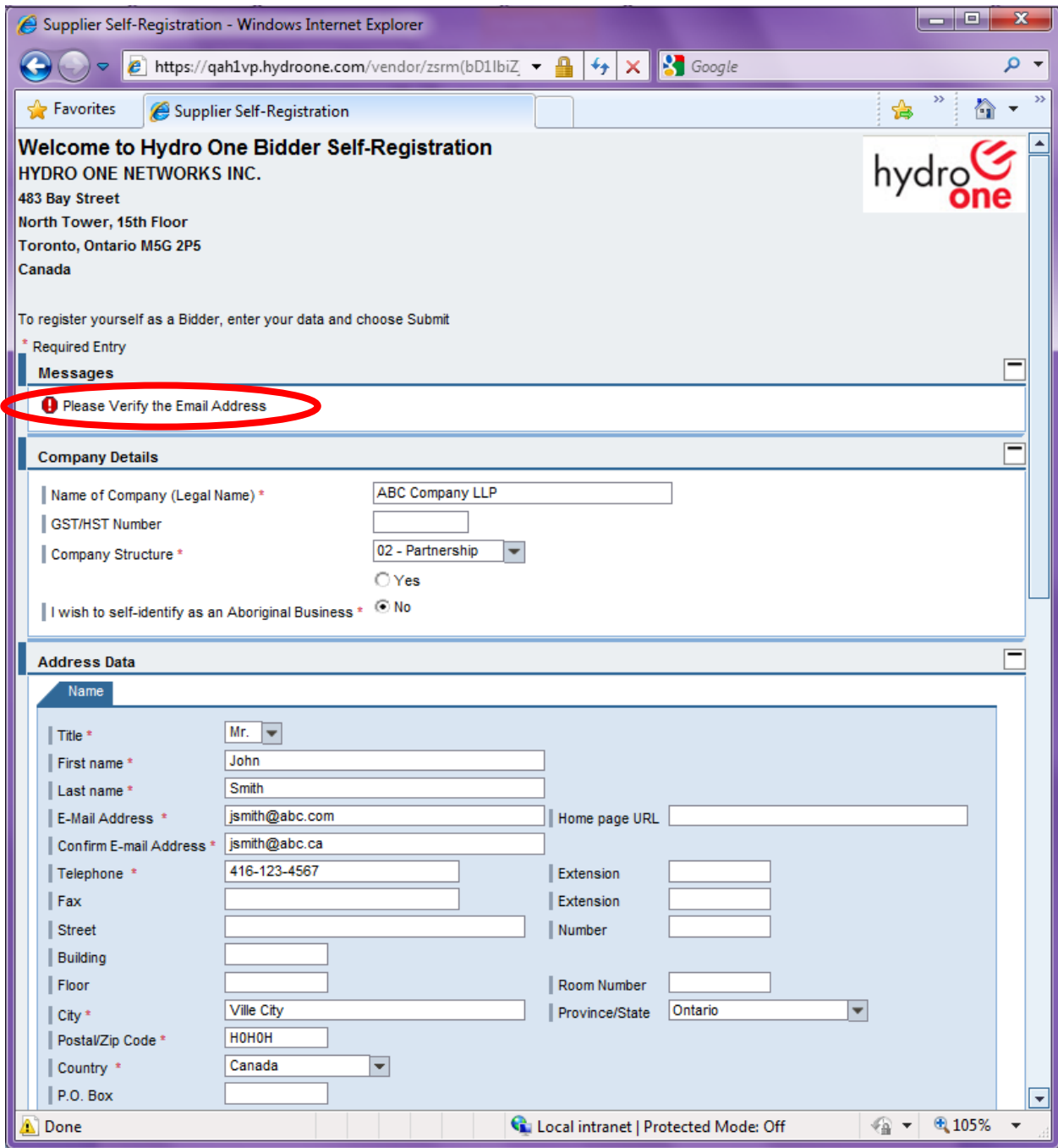
You can use the side arrows to move along the list or simply input the page number you wish to see in the middle field and hit enter. Pages 14-20, contain the categories that are now obsolete; please do not select any "OBSOLETE" categories.

If you require further assistance selecting a category, please [Contact Us](#).

5. Please review the **Terms and Conditions** of use and check off the box confirming that you have read the data privacy statement and accept the terms.
6. Enter the security words and make sure you add a space in between.
7. Click "**Submit**" to complete your registration;



If your registration is not processed, please scroll back up to the top of the page and see what is missing from your registration form. In the example below, the city was not entered under the Address Tab;



If you are experiencing difficulties registering, please check for a possible solution in the [Troubleshooting](#) section or [Contact Us](#).

Upon successful completion of the registration process, an email from *Workflow System* will be sent to the account's primary contact email within 5-10 minutes containing a valid username and password.

Section 02: Logging in to the BID System

1. Once you have registered and received your log in information, you can access the BID system. Please go to the [Doing Business with Hydro One](http://www.HydroOne.com/DoingBusiness) at <http://www.HydroOne.com/DoingBusiness> and click on the **Log in to BID System** button;

The screenshot shows the 'DOING BUSINESS WITH HYDRO ONE' page. A red box with the number '1' is on the left. A red line connects it to a yellow button labeled 'Log in to BID System' which is circled in red. The page content includes a navigation bar, a search bar, and several sections of text and links related to the bidding process.

2. In the window that opens up, enter the User ID (the VEN 12-digit code or the personal User ID you created) and Password provided by Hydro One and click "Log On";

The screenshot shows the 'Hydro One Networks Inc. Bidding System Log On Screen'. It features a login form with the following elements:

- Register here
- User * (input field: VEN0022HR395)
- Password * (input field: masked with dots)
- Log On button
- Change Password | Password Forgotten
- Hydro One Networks Inc. Bidding System Log On Screen
- hydro one logo

Changing Your Password

3. Once you have entered the system from the first time, you will be prompted to change the password;
4. Enter the current Password supplied to you by Hydro One;
5. Choose and enter your new Password and repeat your new Password in the field provided;
6. Select Change to complete the transaction;



The screenshot shows the Hydro One Bidding System Log On Screen. At the top, the Hydro One logo is displayed. Below the logo, a message states: "This is an initial password that must be changed". The form includes the following fields:

User	VEN00HH00LLL
Current Password *	<input type="password"/>
New Password *	<input type="password"/>
Repeat Password *	<input type="password"/>

At the bottom of the form, there is a "Change" button. The footer of the screen reads "Hydro One Networks Inc. Bidding System Log On Screen" and the Hydro One logo is in the bottom right corner.

Password requirements:

1. The password must be at least eight characters long
2. There must be at least one number (0-9)
3. There must be at least one letter (A-Z)
4. There must be at least one lower case (a-z) and one upper case (A-Z) character

System Navigation

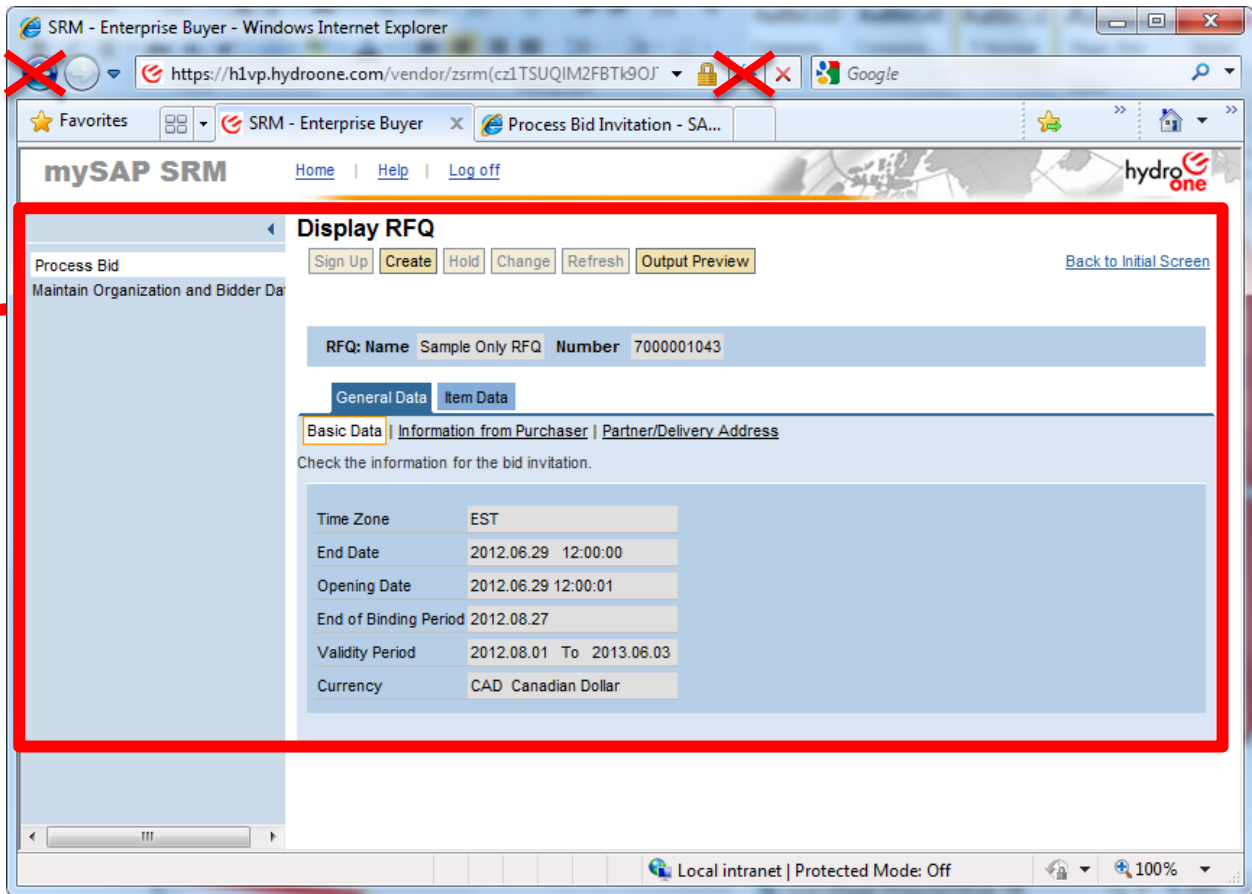
Please use Internet Explorer as the browser that best supports the BID System.



If you get an error, close all current windows that you have open for Internet Explorer – then in a fresh window, try to log-in.

- When using the online BID System, DO NOT use the Internet Explorer Navigation buttons. If these buttons are used, the BID System application will not function properly





Only use the navigation methods in the BID System;
that is anything in the area below "My SAP SRM".

Automated Notifications

Please note that the BID System does not send automated notifications regarding new RFx opportunities. It is recommended that you log in often as new opportunities are posted often.

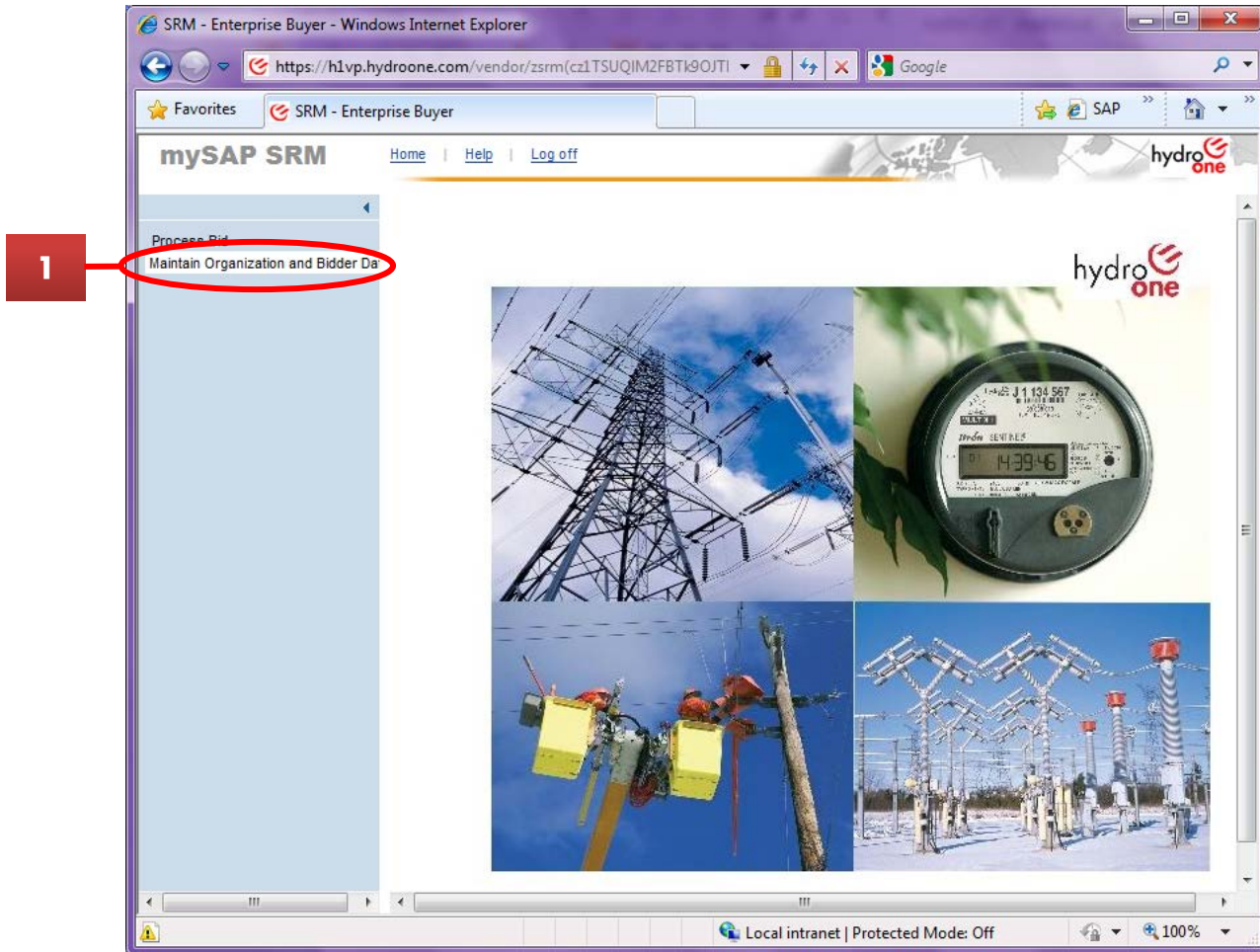
However, once you have [Signed Up for a bid event](#), you will receive an automated email if there are any changes to that specific bid event.

Section 03: Modifying BID Account Information

Change Account Information

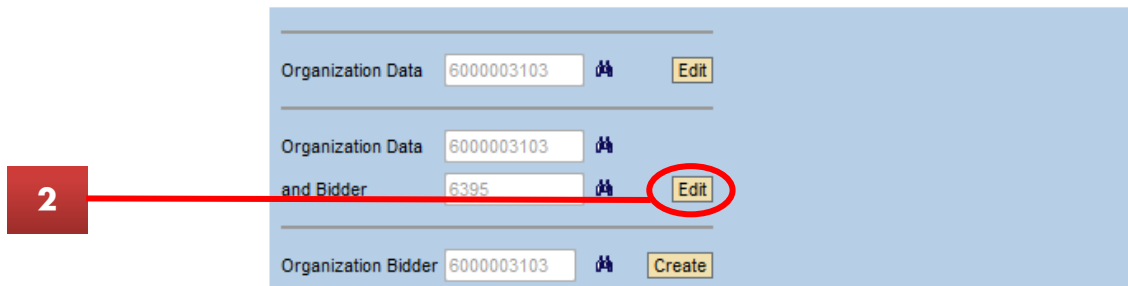
To update your account information;

1. After logging into the BID System, click on **Maintain Organization and Bidder Data** from the left side menu;



2. Click on **Edit**, for **Organization Data and Bidder**

Manage Organization and Bidder Data



3. In the new window, you will see the information for your account. To make a change, click on

Display/Change

Manage Organizational Data

3

Display / Change

[Back to Initial Screen](#)

Company Data		Personal Data		Bidder Data	
Central Data for Organization					
Name of Company (Legal Name)	Bid System Help Desk				
GST/HST Number	<input type="text"/>				
Company Structure *	Corporation				
Language	English				
Address Data for Organization					
Street	<input type="text"/>			Number	<input type="text"/>
Building	<input type="text"/>				
Floor	<input type="text"/>	Room Number	<input type="text"/>		
City	Toronto	Province/State	Ontario		
Postal Code/Zip Code	M5G 2P5				
Country *	Canada				
P.O. Box	<input type="text"/>				
PO Box Station	<input type="text"/>				
Communication					
Home Page URL	<input type="text"/>				
Contact for Organization					
E-Mail Addresses					
Standard Address *		E-Mail Address *			

4. Make all of the necessary changes;
5. Click on **Save**;

Manage Organizational Data

5

Display / Change **Save** Undo all Changes

[Back to Initial Screen](#)

Company Data Personal Data Bidder Data

Central Data for Organization

Name of Company (Legal Name) * ABCD Company Inc.

GST/HST Number

Company Structure * Corporation

Language English

Address Data for Organization

Street 483 Bay Street Number

Building NorthTower

Floor 14th Room Number

City * Toronto Province/State Ontario

Postal Code/Zip Code M5G 2P5

Country * Canada

P.O. Box

PO Box Station

Communication

Home Page URL

Contact for Organization

E-Mail Addresses

Standard Address *	E-Mail Address *
	Help.BidderRegistration@HydroOne.com

4

6. A confirmation message will appear once the changes have been processed;

[Back to Initial Screen](#)

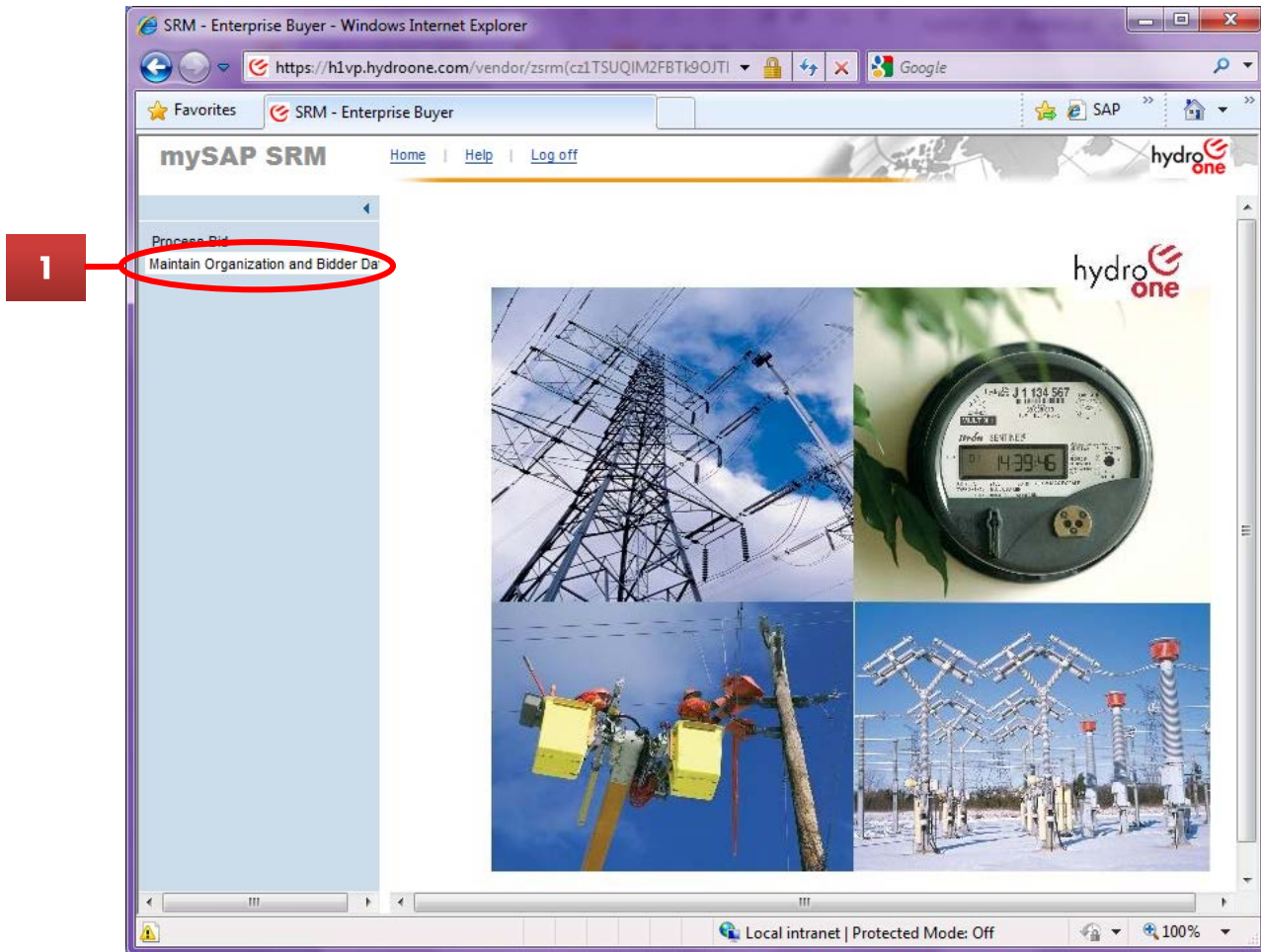
Message

The data for ABCD Company Inc. (ID number 6000003103) and Bidder: RegistrationHelp Bidder (ID number 0000006395) was saved.

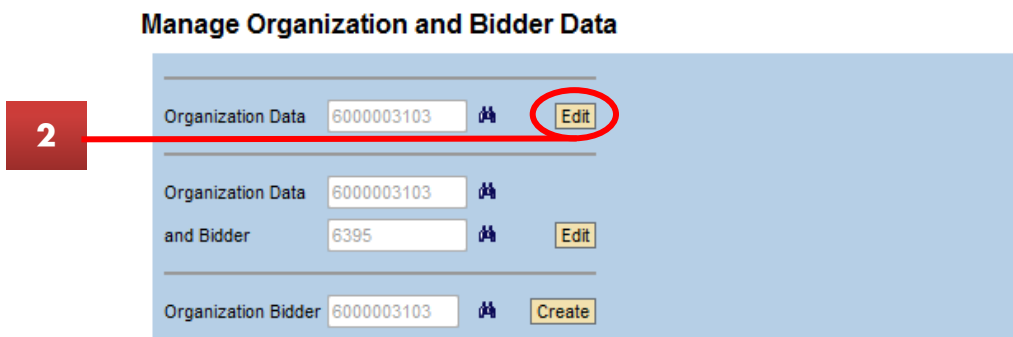
Account Information - Categories

To add / delete a category;

1. After logging into the BID System, click on **Maintain Organization and Bidder Data** from the left side menu;



2. Click on **Edit**, for **Organization Data**;



3. Click on the **Bidder Data** tab to see the categories you have registered for;

Manage Organizational Data

Display / Change

[Back to Initial Screen](#)

3

Company Data **Bidder Data**

Central Data for Organization

Name of Company (Legal Name)	ABCD Company Inc.
GST/HST Number	
Company Structure *	Corporation
Language	English

4. To make a change, click on **Display/Change**;

Manage Bidder Data

4 Display / Change

[Back to Initial Screen](#)

Company Data Bidder Data

Bidder Data: 6000003103 ABCD Company Inc.

Product Categories

Product Category
PECCLNT101:Furniture & Furnish

* Required Entry

5. You can delete an existing category by clicking on the garbage can.
6. If you want to add a new category, click on the "New Lines" button and use the drop-down to select the three dots (...)

Manage Bidder Data


Display / Change Save Undo all Changes

[Back to Initial Screen](#)

Company Data Bidder Data

Bidder Data: 6000003103 ABCD Company Inc.

Product Categories

Product Category	Action
Furniture & Furnish	

5

6 New Lines

* Required Entry

7. Leave all the fields blank on the next screen and click "Start". This will bring up the entire list of

categories;

Find

Product Categories - Overview

Note: Placeholder search with * is possible. Search ignores upper/lowercase spelling.

Category Description

Category ID

Logical system

Maximum No. of Hits

7

8. Click on the categories you wish to add.

Search Result: 269 Entries

Category Description	Category ID	Log.System
Abrasive & Grinding	GRINDTOOL	PECCLNT101
ACDC trans schemes	ACDCTRSCH	PECCLNT101
ACSR conductor	COBARCOND	PECCLNT101
Adhesives & Sealants	ADHSEALNT	PECCLNT101
Backfill/Grading	CPGRAVEL	PECCLNT101
Batteries	BATTERIES	PECCLNT101
BPE Structure	TLBPE	PECCLNT101
Breaker - Air blast	BKRAIRBL	PECCLNT101
Breaker - Metalclad	BKRMTLCLD	PECCLNT101
Breaker - Oil Filled	BKROIL	PECCLNT101
Breaker - SF6 Filled	BKRSF6	PECCLNT101
Breaker parts	BKRPARTS	PECCLNT101
Building Accessories	BLDGACC	PECCLNT101

9. Once you are finished adding, click on the "Save" button.

Manage Bidder Data

9 [Back to Initial Screen](#)

Bidder Data: 6000003103 ABCD Company Inc.

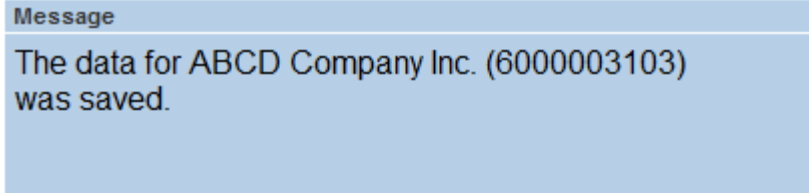
Product Categories

Product Category	Action
Batteries ▾	
Capacitor Units ▾	
▾	
▾	

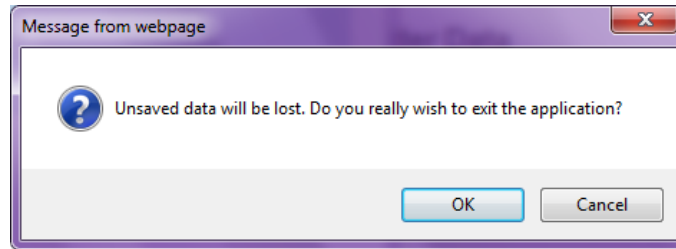
[«](#) [<](#) 2 - 5 From 5 [>](#) [»](#)

* Required Entry

10. You will see a confirmation message, letting you know that the changes were saved;



11. You will notice that once you try to exit or log out, you will receive the pop-up message as seen below. You can click the "Ok" button because your data is already saved it. If you go back into "Maintain Organization and Bidder Data" you will see that your newly added categories are there.

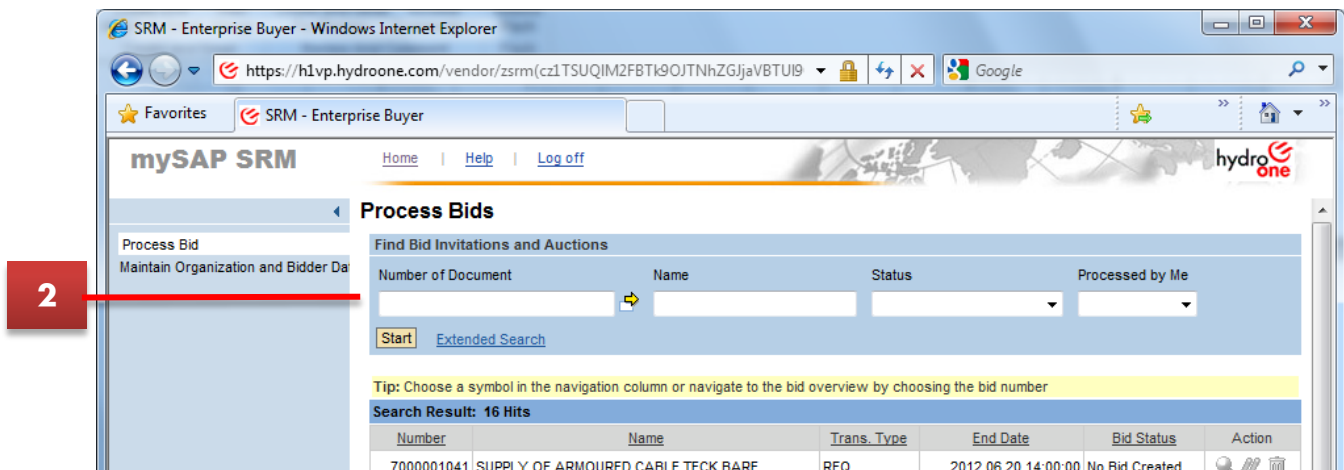


Section 04: Viewing RFXs

1. After logging into the BID System, click on **Process Bid** from the left side menu to open the search engine;



2. In the search results, you will have a "Start" button next to the "Number of Document" field.



If you have the "Extended Search" selected, make sure that all of those fields are also blank if you wish to view the entire list of RFPs, RFTs, & RFQs open to the public;

Process Bids

Find Bid Invitations and Auctions

Number of Document: Name: Status: Processed by Me:

Product Category: End Date: All Bids from My Company:

[Simple Search](#)

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 16 Hits

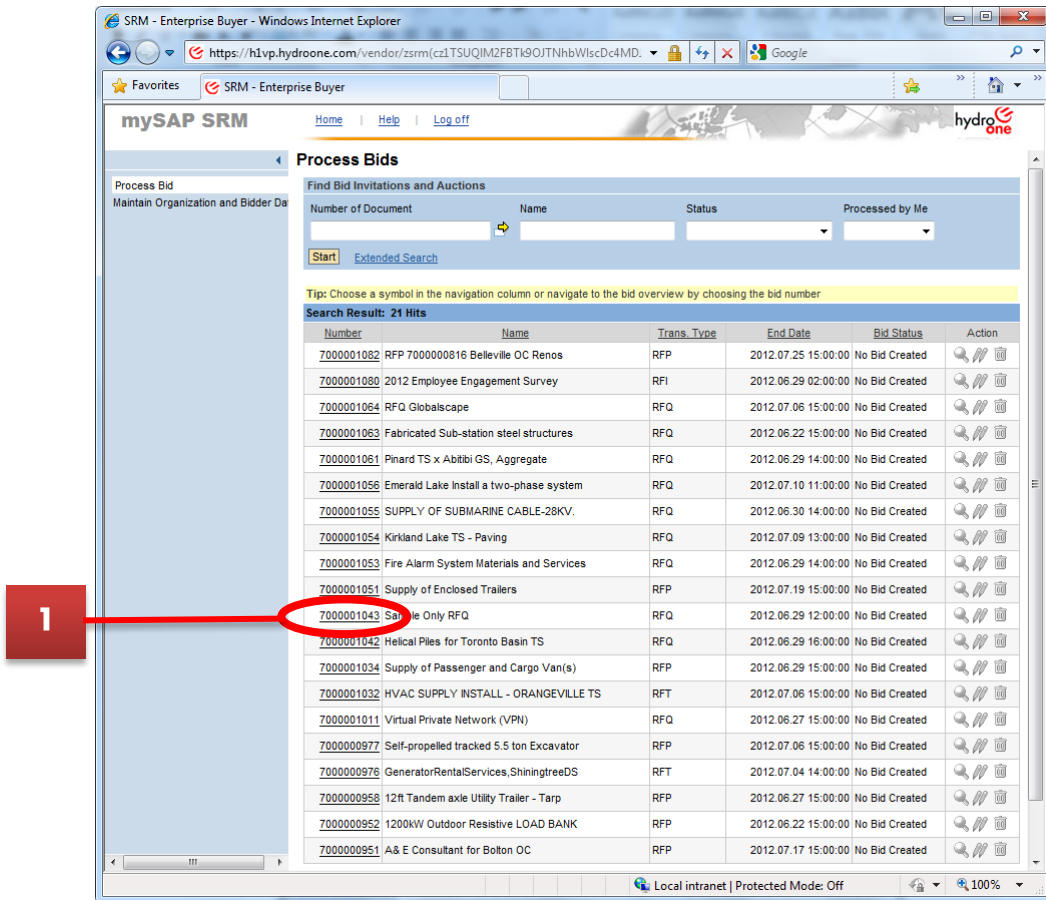
Number	Name	Trans. Type	End Date	Bid Status	Action
7000001041	SUPPLY OF ARMoured CABLE,TECK,BARE	RFQ	2012.06.20 14:00:00	No Bid Created	

Section 05: Signing up for RFXs

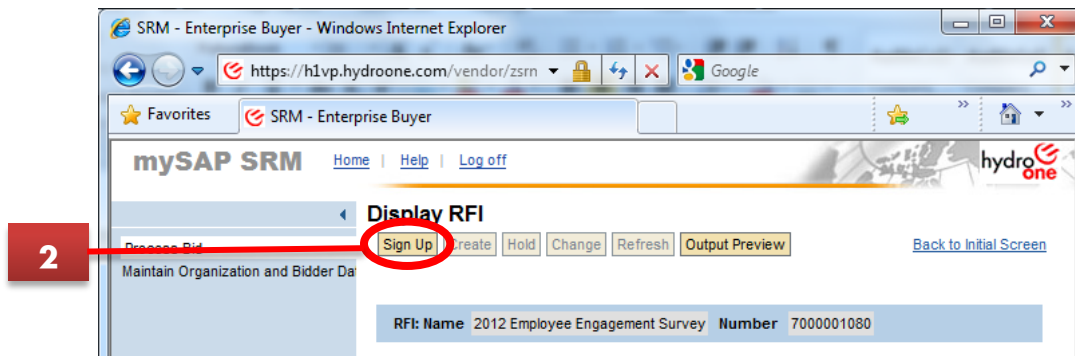
It is mandatory for bidders to complete the **Sign Up** process for each public bid invitation to be able to access the tender documents and if interested, participate in the bidding process. Bidders who receive directed RFXs are already Signed Up.

Sign Up to a Bid Event

- To sign up to a RFX, click on the Bid Invitation number that you wish to participate in;

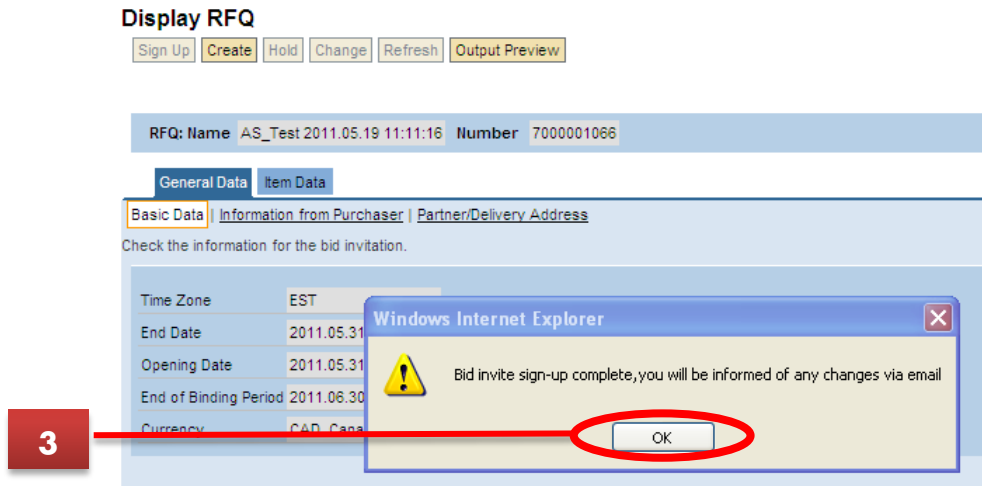


- Once you are in the Bid Event, sign up for the selected Bid by clicking on the **Sign Up** button;

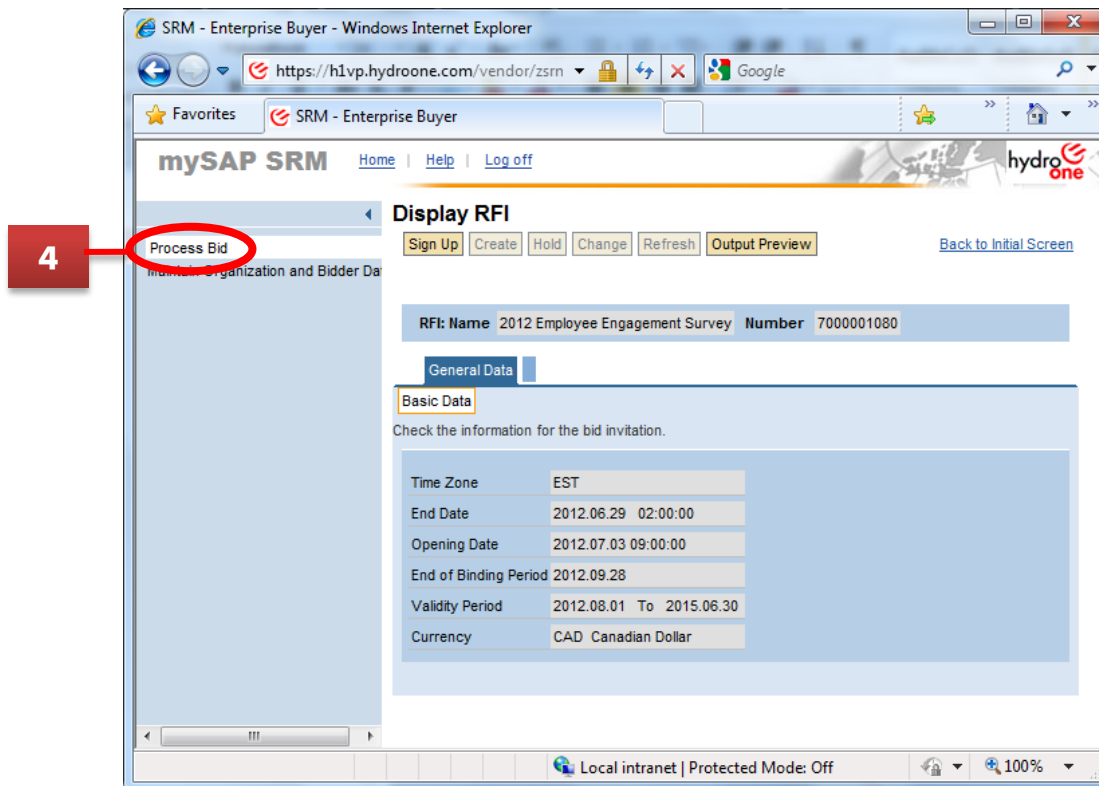


- Once you have signed up, the system will confirm that you have been registered and any changes to the

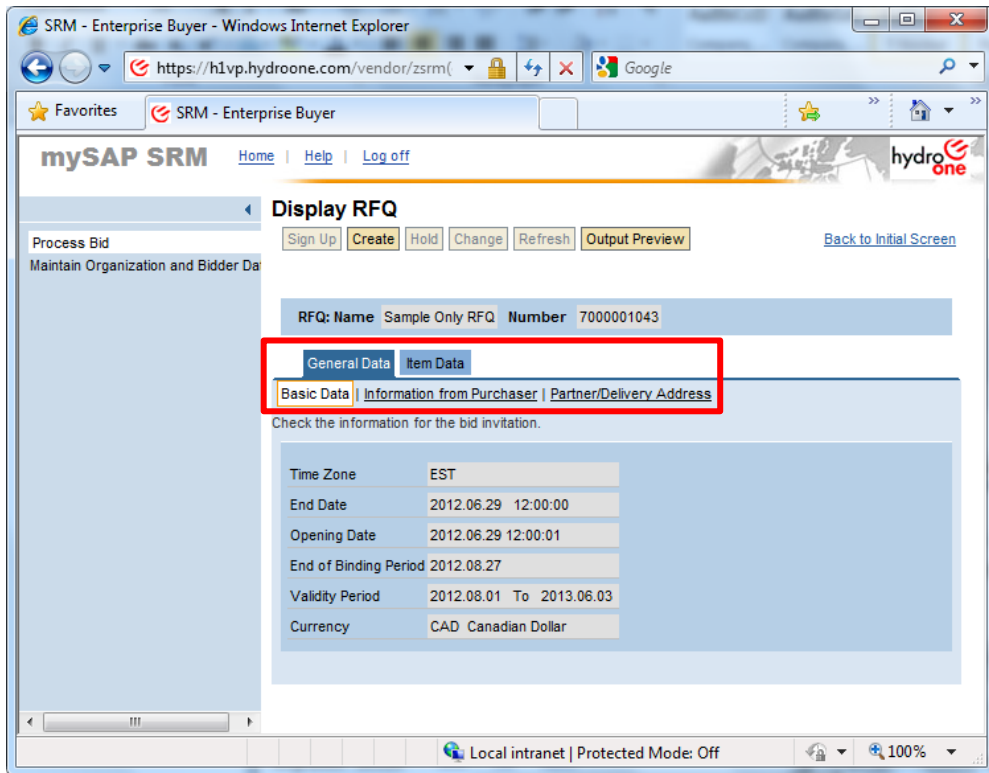
bid invitation going forward will be communicated to the signed up bidders via email for all RFXs. A message will appear in the Display RFQ Screen; Select Ok.



- After you successfully Sign Up for a Bid Event, you will be able to review all of the RFX documents. To make the changes effective, go back to the general list by clicking on the "Process BID" link on the left of the page;



- Once you are back on the general list, go back to the BID event that you signed up. The "Sign Up" button should no longer be active and you should be able to see the "Information from Purchaser" and "Partner/Delivery Address" links under the General Data tab;

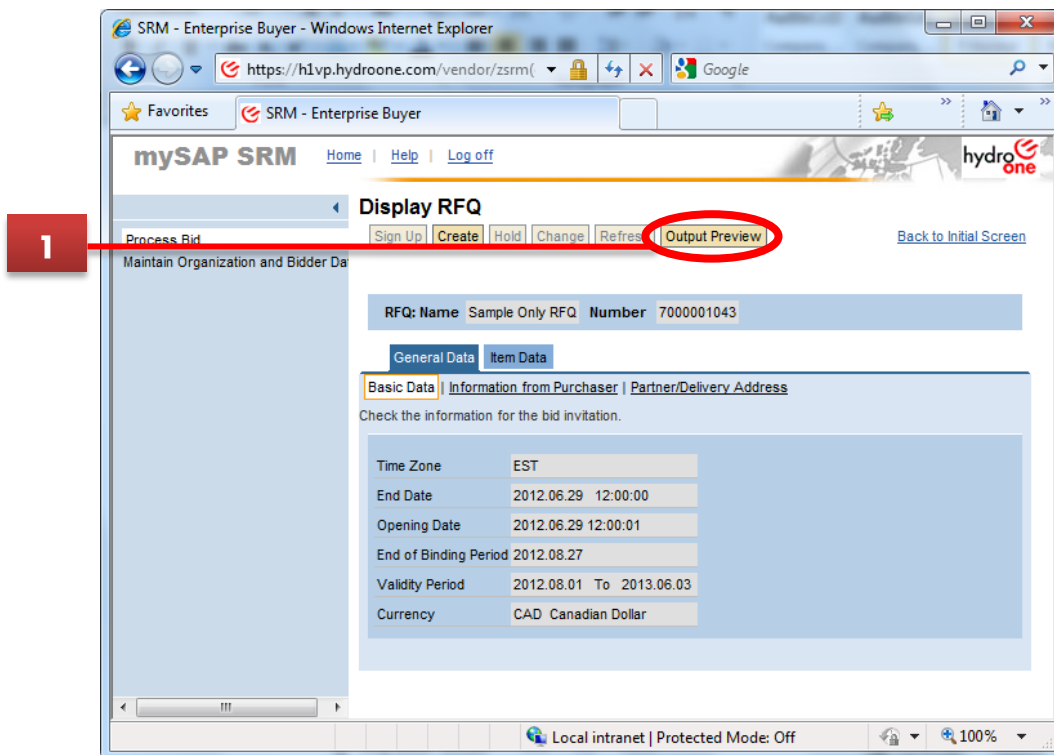


After you have Signed Up for a bid event, you will receive an automated email if there are any changes to that specific bid event.

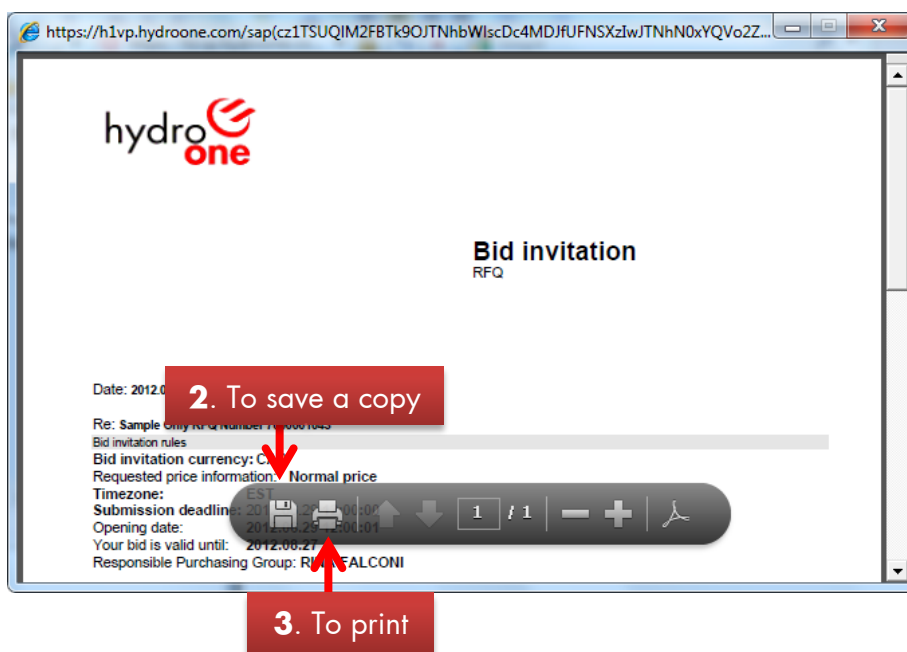
Section 06: Reviewing RFXs

Maintain a record of the Bid Invitation

1. Print or save a copy of the Bid Invitation for your records, once you have [signed up to the Bid Event](#), by clicking on the Output Preview button and print or save **prior** to submitting a Bid¹;



2. A PDF file will open in a separate window, click on the disk to save the document or
3. click on the printer to print the document;



¹ Please note that **only RFQs** are submitted in the BID System. All other RFX (RFP, RFPQ, RFI, and RFT) will be submitted as directed in the individual RFX.

Reviewing RFX

Once you have successfully [signed up for a Bid event](#), you will be able to review the RFX and all the document(s) available.

Use Data Tabs to review the RFX

Information on the Display RFX and Process Bid Screens is organized on two levels;

- General Data: Information displayed in this section apply to the entire Bid Invitation;
 - **Basic Data** – General information in regards to the Bid event opening and closing dates;

Display RFQ

Sign Up Create Hold Change Refresh Output Preview [Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001043

General Data Item Data

Basic Data | Information from Purchaser | Partner/Delivery Address

Check the information for the bid invitation.

Time Zone	EST
End Date	2012.06.29 12:00:00
Opening Date	2012.06.29 12:00:01
End of Binding Period	2012.08.27
Validity Period	2012.08.01 To 2013.06.03
Currency	CAD Canadian Dollar

- **Information From Purchaser** – Contains the Bid Invitation and all [available attachments](#).

General Data Item Data

Basic Data | **Information from Purchaser** | Partner/Delivery Address

Check the information for the bid invitation.

Tenders


Tendering text

This is an RFQ sample only.

Attachments

Overview of Attachments

	Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
<input type="radio"/>	RFQ	Standard Attachment	1		docx	12	185366	2012.06.22 09:26:54










- **Partner/Delivery Address** – Delivery address for the goods /services. To see details of each function, please click on the *magnifying glass*; 

General Data **Item Data**



Basic Data | **Information from Purchaser** | **Partner/Delivery Address**

Check the information for the bid invitation.

Partner Overview

Function	Number	Name	Action
Goods Recipient	734	BATCHRFC	  
Ship-To Address	105	Hydro One Networks	  
Location	696	Hydro One Networks	  

Details: Ship-To Address ✕

Form of Address	
Name	Hydro One Networks
Other Name	PINARD TS
c/o	
Building	
Floor/Room	
Street/House Number	ABITIBI CANYON RD
Postal Code / City	X0X 0X0 FRASERDALE
District	
P.O. Box	
P.O. Box Location	
Country / Region	Canada / Ontario
Tel.No.	
Fax	
E-mail	


















- Item Data: Information displayed in this section applies to the specific item level; clicking on **Item Data**, displays all the line items for the Bid Invitation;



General Data **Item Data**

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Quantity	Required	Attachments (buyer/me)	Notes (buyer/me)	Action
1	100MM (4") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	3 / 0	1 / 0	
2	TRIAxLE DELIVERY 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	1 / 0	 
3	MNR FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	0 / 0	 
4	ENVIRONMENTAL FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	0 / 0	 
5	150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	3 / 0	1 / 0	 
6	TRIAxLE DELIVERY, 150MM (6")CRUSHER RUN,	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	0 / 0	1 / 0	 
7	MNR FEE, 150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	0 / 0	0 / 0	 
8	ENVIRONMENTAL FEE 150MM(6") CRUSHER RUN,	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	0 / 0	0 / 0	 
10	DEMMURAGE	Material	Backfill/Grading	40.0 Hours	On 2012.07.09	0 / 0	1 / 0	 

Legend :  Display item details  Change price

- The information on the **Item Data** tab is organized like the information on the General Data tab, but is only relevant to the each selected item in regards to:
 - Basic Data
 - Information From Purchaser
 - Partner/Delivery Address

Review Each Item Data:

1. Select the item by clicking on the item number to access the Item Data information. You can also click on the *magnifying glass* to access the Item Data information;



General Data **Item Data**

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Quantity	Required	Attachments (buyer/me)	Notes (buyer/me)	Action
1	100MM (4") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	3 / 0	1 / 0	
2	TRIAxLE DELIVERY 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	1 / 0	
3	MNR FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	0 / 0	
4	ENVIRONMENTAL FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	0 / 0	
5	150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	3 / 0	1 / 0	
6	TRIAxLE DELIVERY, 150MM (6")CRUSHER RUN,	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	0 / 0	1 / 0	
7	MNR FEE, 150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	0 / 0	0 / 0	
8	ENVIRONMENTAL FEE 150MM(6") CRUSHER RUN,	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	0 / 0	0 / 0	
10	DEMMURAGE	Material	Backfill/Grading	40.0 Hours	On 2012.07.09	0 / 0	1 / 0	

Legend : Display item details Change price

2. Check off the **Display Documents** box to see any attachments that the buyer has added to the individual line items.
3. You will see any attachments available in the "Documents" column. The *paperclip*, indicates that there are attachments available for the specific line item. Click on the *paperclip* to display the Information from Purchaser Tab for the specific

General Data **Item Data**

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Quantity	Required	Attachments (buyer/me)	Notes (buyer/me)	Documents	Action
1	100MM (4") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	3 / 0	1 / 0		
2	TRIAxLE DELIVERY 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	1 / 0		
3	MNR FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	0 / 0		
4	ENVIRONMENTAL FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	On 2012.07.09	0 / 0	0 / 0		
5	150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	3 / 0	1 / 0		
6	TRIAxLE DELIVERY, 150MM (6")CRUSHER RUN,	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	0 / 0	1 / 0		
7	MNR FEE, 150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000 Tonne	On 2012.07.09	0 / 0	0 / 0		

4. Clicking on the *paperclip*, displays the Information from Purchaser Tab for the specific item. (Please see the [Downloading RFX Documents Section](#) for further information);
5. Click on "Back to Item Overview" to return to the main list.

General Data
Item Data

Basic Data
Information from Purchaser
Partner/Delivery Address
< Back
Continue >
Back to Item Overview

5

Item Detail 1: 100MM (4") CRUSHER RUN, GRAVEL

Texts

Tendering text	<p>45,000 METRIC TONNE - 100MM (4") CRUSHER RUN, GRAVEL</p> <p>NEED DATE: BEGINNING APPROXIMATELY JULY 9, 2012</p> <p>CAPABLE OF DELIVERING BETWEEN 5 - 10 TRUCKS PER DAY.</p> <p>2 TICKETS REQUIRED TO BE SENT WITH DELIVERY FOR SIGNATURE BY SITE FOREMAN.</p> <p>LOCATION: PINARD TS, ABITIBI CANYON RD, FRASERDALE, ON</p> <p>WHERE QUANTITIES SHOWN IN THE FORM OF THE TENDER OR INVITATION TO TENDER ARE IDENTIFIED AS ESTIMATES, THEY WILL BE USED ONLY AS A BASIS FOR COMPARING TENDERS. THE PURCHASER SHALL BE OBLIGED TO</p>
----------------	--

Attachments

Overview of Attachments								
	Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
<input type="radio"/>	QPSS 1010	Standard Attachment	1		pdf	379	800266	2012.06.15 16:02:58
<input type="radio"/>	QPSS 1001	Standard Attachment	1		pdf	169	800266	2012.06.15 16:02:58
<input type="radio"/>	QPSS 1004	Standard Attachment	1		pdf	107	800266	2012.06.15 16:02:58

Section 07: Downloading RFXs documents

In order to access the documents available for a particular RFX, you need to sign up for the Bid Event first.

1. Once you have Signed Up for the Bid Invitation, to access the documents available at the header level that are applicable to the entire Bid Event, please click on the **Basic Data** tab;
1. Click on the **Information from Purchaser** link to view all the communication including Tendering Text and Attachment(s) to the Bid Invitation.
2. Under the “Texts” section, you will see the **Tendering Text** – which will contain further instructions from the buyer also found under the Bid Invitation. If you would like to [keep a record](#) of the Bid Invitation, please click on “**Output Preview**” and save or print the PDF document that will come up.
3. Any **Attachments** will be available at the bottom, under the “Attachments” section, if there are any Addenda to the Bid Event, they will also be available under the Attachments section. Click on the item you would like to download under the Description section and it should automatically download.

mySAP SRM | Home | Help | Log off | hydro one

Process Bid | Maintain Organization and Bidder Data | Sign Up | Create | Hold | Change | Refresh | Output Preview | Back to Initial Screen

RFQ: Name Sample Only RFQ | Number 7000001141

General Data | Item Data

Basic Data | **Information from Purchaser** | Partner/Delivery Address

Texts

Tendering text

RFQ Sample

Attachments

Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
RFP Attachment	Standard Attachment	1		xlsx	13	189144	2012.07.16 10:36:32

4. Please note that documentation for each line item can also be found in the **Item Data** tab, click on the tab;
5. Select the **Display Documents** checkbox;
6. Select each item that contains attachments, as indicated by the paperclip on the documents column, and follow the **Information from Purchaser** link as per the steps 1 – 3 above.

Display Bid

[Change](#) [Delete](#) [Check](#) [Refresh](#) [Output Preview](#)

[Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

4

General Data **Item Data**

5

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Documents	Action
1	Item to supply	Material		0 LOT	0.00 CAD Per 1	0	On 2012.10.18	0 / 0	0 / 0		
2	Item 2	Material		2 LOT	700.50 CAD Per 1	15	On 2012.10.18	0 / 0	1 / 0		
3	Install Items	Services		1 LOT	150,000.60 CAD Per 1	15	Between 2012.10.22 - 2012.10.27	1 / 0	0 / 0		

6

2

Legend : Display item details Change price

If you have any specific question regarding the contents of the Bid Event, please contact the buyer as identified in the RFX document. But if you are experiencing technical difficulties, please contact the Bidder Registration Help Desk at Help.BidderRegistration@HydroOne.com

RFx Submission

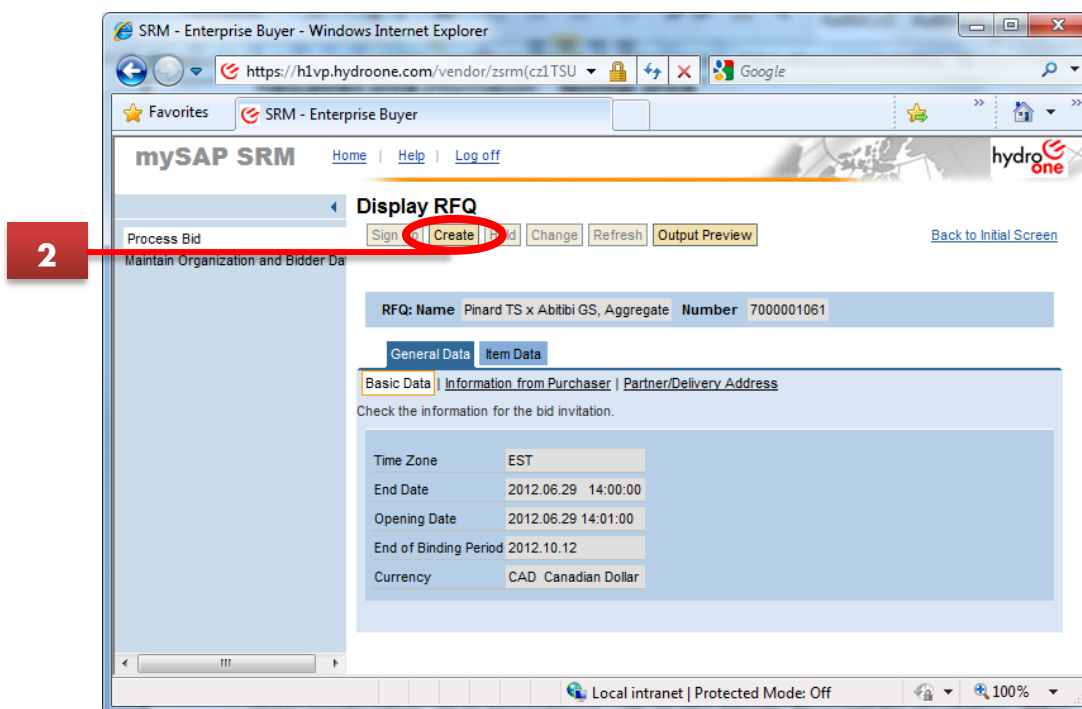
Please note:

1. Only RFQs are submitted in the BID System – Please follow the steps below for RFQ submissions.
2. All other RFx (RFP, RFPQ, RFI, and RFT) will be submitted as directed in the individual RFx – Please [refer to the RFx document](#) for specific instructions.

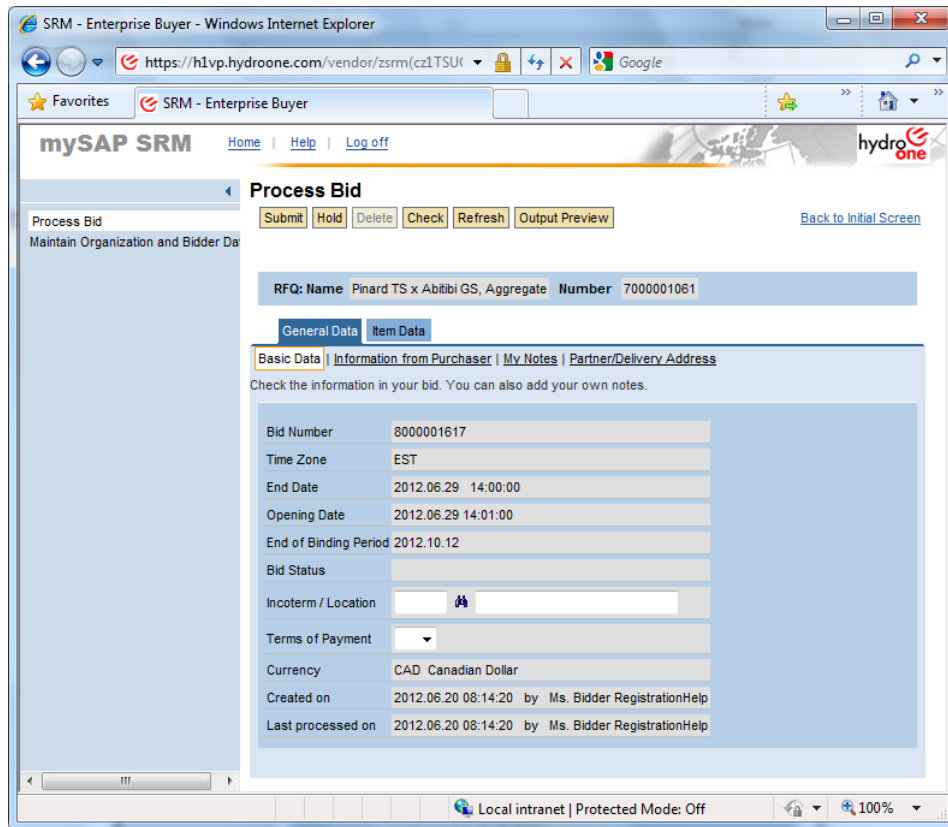
RFQ Submission

Entering a Bid

1. You must [save or print a copy of the RFx](#) PRIOR to selecting Create;
2. Select **Create** if you intend to respond to the Bid Invitation.



3. Clicking on the Create button, displays the Basic Data within the General Data Tab with the options to complete the fields at the header level;



4. To enter a bid, complete the following fields at the header level:

Incoterm/ Location	R - Required	The INCO Term (International Commercial Terms) designation and the Location pertaining to the INCO Term. Data entered at the header level applies to all individual items in the bid. If the INCO Term is different for an individual item, that term should be entered at the item level
Currency	C- Conditional	If the RFx allows different currencies to be used, select the currency for your bid

Incoterm

5. Click on the Incoterm binocular button to open up a window where you can choose the appropriate three-letter trade term;
6. In the text field, manually enter the location pertaining to the Incoterm;

RFQ: Name Sample Only RFQ Number 7000001141

General Data | Item Data

Basic Data | Information from Purchaser | My Notes | Partner/Delivery Address

Check the information in your bid. You can also add your own notes.

Bid Number 8000001855

Time Zone EST


End Date 2012.08.31 15:00:00

Opening Date 2012.08.31 16:00:00

End of Binding Period 2012.10.31

Validity Period 2012.10.01 To 2014.10.01

Bid Status

Incoterm / Location 

Terms of Payment

Currency CAD Canadian Dollar

Created on 2012.07.23 13:54:37 by Ms. Bidder RegistrationHelp

Last processed on 2012.07.23 13:54:37 by Ms. Bidder RegistrationHelp

Search Result Find Incoterms: 13 Entries

Incoterm	Incoterm Name	Location
CFR	Cost and Freight	X
CIF	Cost, Insurance and Freight	X
CIP	Carriage and Insurance Paid To	X
CPT	Carriage Paid To	X
DAF	Delivered at Frontier	X
DDP	Delivered Duty Paid	X
DDU	Delivered Duty Unpaid	X
DEQ	Delivered Ex Quay (Duty Paid)	X
DES	Delivered Ex Ship	X
EXW	Ex Works	X
FAS	Free Alongside Ship	X
FCA	Free Carrier	X
FOB	Free On Board	X

Cancel

5

6

7. On the **Terms of Payment** drop-down menu, select the "..." option to open a window with the different options available then proceed to make your selection;

Process Bid

Submit Hold Delete Check Refresh Output Preview Back to Initial

RFQ: Name Sample Only RFQ Number 7000001141

General Data | Item Data

Basic Data | Information from Purchaser | My Notes | Partner/Delivery Address

Check the information in your bid. You can also add your own notes.

Bid Number 8000001910

Time Zone EST


End Date 2012.08.31 15:00:00

Opening Date 2012.08.31 16:00:00

End of Binding Period 2012.10.31

Validity Period 2012.10.01 To 2014.10.01

Bid Status

Incoterm / Location FOB  Hydro One Trafalgar TS

Terms of Payment

Currency

Created on

Last processed on

Search Result Terms of Payment: 75 Entries

PTrm	Own explanation
PROG	Progress Payment
Z00N	Due Immediately
Z01N	1 Days Net
Z021	(*) 10 Days 0 %, Days Net %
Z022	3 % When Paid Immediately
Z023	10 Days 2.5 %, 30 Days Net
Z02N	2 Days Net
Z03N	3 Days Net
Z045	Net 45
Z04N	4 Days Net
Z05N	5 Days Net
Z075	Net 75
Z07N	7 Days Net
Z101	10 Days 1 %, 30 Days Net
Z102	5 Days 1 %, 15 Days Net
Z103	10 Days 5 %, 30 Days Net
Z105	10 Days 0.5 %, 30 Days Net
Z106	10 Days 0.6 %, 30 Days Net
Z10N	10 Days Net
Z112	10 Days 12 %, 30 Days Net
Z113	10 Days 10 %, 30 Days Net
Z115	10 Days 1.5 %, 30 Days Net
Z120	Within 120 days due net
Z123	10 Days 2 %, 30 Days Net
Z125	10 Days Net
Z126	10 Days 2 %, 60 Days Net
Z133	10 Days 3 %, 30 Days Net
Z13D	10 Days 3 %
Z143	10 Days 4 %, 30 Days Net
Z14D	10 Days 4 %
Z14N	14 Days Net

7

Entering Individual Item Pricing


- To Fill in the individual Item Data Fields, click on **Item Data**, to display all the line items for the Bid Invitation;

RFQ: Name Sample Only RFQ Number 700001141

General Data **Item Data**

Basic Data | Information from Purchaser | My Notes | Partner/Delivery Address

Check the information in your bid. You can also add your own notes.

Bid Number	8000001855
Time Zone	EST
End Date	2012.08.31 15:00:00
Opening Date	2012.08.31 16:00:00
End of Binding Period	2012.10.31
Validity Period	2012.10.01 To 2014.10.01
Bid Status	
Incoterm / Location	FOB 
Terms of Payment	14 Days Net
Currency	CAD Canadian Dollar
Created on	2012.07.23 13:54:37 by Ms. Bidder RegistrationHelp
Last processed on	2012.07.23 13:54:37 by Ms. Bidder RegistrationHelp

- Clicking on the Item Data tab, displays all the line items for the Bid Invitation;

RFQ: Name Sample Only RFQ Number 700001141






General Data **Item Data**



Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
 (2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Documents	Action
1	Item to supply	Material		1 LOT	CAD Per 1		On 2012.10.18	0 / 0	0 / 0		
2	Item 2	Material		2 LOT	CAD Per 1		On 2012.10.18	0 / 0	1 / 0		
3	Install Items	Services		1 LOT	CAD Per 1		Between 2012.10.22 - 2012.10.27	1 / 0	0 / 0		

Legend:  Display item details  Change price

- Some fields are required to be filled out in order to submit a bid for an RFQ;
 - R – Required** – Field must be completed in order to proceed with the bid
 - C – Conditional** – A data element requirement designator, which indicates that the presence of a specified data element is dependent on the value or presence of other data elements in the segment

Field Name	Use	Description
Submitted Quantity	Required	Default is the Quantity requesting in the RFx. This should only be changed if you are proposing a different quantity.
Price	Required	
Delivery Time (ARO) Days	Required	Lead-time of item or service after receipt of purchase order to delivery date – in calendar days. Ex. 15

Additionally, the following fields may contain information to assist you in preparing a Bid or contain information related to the Bid Invitation:

Field	Value
Product Category	Describes the category of the product
Qty of Bid Invitation	The Quantity required for the RFx, subject to the terms of the Rfx.

For each line item that you are bidding on, please enter;

10. Price

11. Quantity

12. Delivery ARO (After Receipt of Order) Days

Only enter prices for the line items that are being bid on. Please note that the system prepopulates a quantity for each item in the Bid. If you do not want to bid on an item, the quantity must be removed; otherwise you will receive an error message when trying to Submit;

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
 (2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Action
1	Item to supply	Material		1 LOT	45.00 CAD Per 1	45	On 2012.10.18	0 / 0	0 / 0	
2	Item 2	Material		2 LOT	45.00 CAD Per 1	45	On 2012.10.18	0 / 0	1 / 0	
3	Install Items	Services		1 LOT	CAD Per 1		Between 2012.10.22 - 2012.10.27	1 / 0	0 / 0	

Legend: Display item details Change price

1 Message

Enter values for Price, Qty and Delivery Time

Close

13. Please note that you can also open each line item by clicking on the number and see the item specifications in detail.

RFQ: Name Pinard TS x Abitibi GS, Aggregate Number 700001061

General Data **Item Data**

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
 (2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Action
1	100MM (4") CRUSHER RUN, GRAVEL	Material	Backfill/Grading		CAD Per		On 2012.07.09	3 / 0	1 / 0	
2	TRIAxLE DELIVERY 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	1 CAD Per	15	On 2012.07.09	0 / 0	1 / 0	
3	MNR FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	1 CAD Per	15	On 2012.07.09	0 / 0	0 / 0	
4	ENVIRONMENTAL FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000 Tonne	1 CAD Per	15	On 2012.07.09	0 / 0	0 / 0	
5	150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000 Tonne	1 CAD Per	15	On 2012.07.09	3 / 0	1 / 0	
6	TRIAxLE DELIVERY, 150MM (6") CRUSHER RUN,	Material	Backfill/Grading	15,000 Tonne	1 CAD Per	15	On 2012.07.09	0 / 0	1 / 0	
7	MNR FEE, 150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000 Tonne	1 CAD Per	15	On 2012.07.09	0 / 0	0 / 0	
8	ENVIRONMENTAL FEE 150MM(6") CRUSHER RUN,	Material	Backfill/Grading	15,000 Tonne	1 CAD Per	15	On 2012.07.09	0 / 0	0 / 0	
10	DEMMURAGE	Material	Backfill/Grading	40.0 Hours	1 CAD Per	15	On 2012.07.09	0 / 0	1 / 0	

Legend: Display item details Change price

10. Price

11. Quantity

12. Delivery ARO

14. To add attachments to your bid, click on My Notes (please refer to the [My Notes – Uploading Attachments](#) section for further information).

15. Your own reference number can be added in the **Vendor Product Number** field;

16. Click on **Back to Item Overview** to return to the main item list;

RFQ: Name Sample Only RFQ Number 7000001141

General Data **Item Data**

Basic Data | Information from Purchasing | My Notes | Partner/Delivery Address | Back | Continue | **Back to Item Overview**

14

Item Detail 2: Item 2

Item Category Material

15 Vendor Product Number **VENDOR_ITEM2_CODE**

Product Category

Quantity of Bid Invitation 2 LOT

Submitted Quantity 2 LOT

Price 30 Canadian Dollar Per 1 LOT

Item Value 0.00 CAD

Delivery Time (ARO) Days 15

Required 2012.10.18 15:00:00

Incoterm

16

17. Check that all the relevant data has been entered by hitting the **Check** button

Process Bid

Submit Hold Delete **Check** Refresh Output Preview

[Back to Initial Screen](#)

17

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
(2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Documents	Action
1	Item to supply	Material		1 LOT	50.00 CAD Per	1	15	On 2012.10.18	0 / 0	0 / 0	
2	Item 2	Material		2 LOT	30.00 CAD Per	1	15	On 2012.10.18	0 / 0	1 / 0	
3	Install Items	Services		1 LOT	100.00 CAD Per	1	15	Between 2012.10.22 - 2012.10.27	1 / 0	0 / 0	

Legend: Display item details Change price

18. If you have successfully entered all of the data, a confirmation message will appear. Click Ok to proceed;

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
(2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Documents	Action
1	Item to supply	Material		1				0 / 0	0 / 0		
2	Item 2	Material		2				0 / 0	1 / 0		
3	Install Items	Services		1			22 - 2012.10.27	1 / 0	0 / 0		

Legend: Display item details Change price

Message from webpage

Bid Sample Only RFQ is complete and contains no errors

OK

1 Message

Bid Sample Only RFQ is complete and contains no errors

Close

19. When the Bid is ready for submission, click **Submit**

Process Bid

Submit Hold Delete Check Refresh Output Preview

[Back to Initial Screen](#)

18

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
(2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Documents	Action
1	Item to supply	Material		1 LOT	50.00 CAD Per	1	15	On 2012.10.18	0 / 0	0 / 0	
2	Item 2	Material		2 LOT	30.00 CAD Per	1	15	On 2012.10.18	0 / 0	1 / 0	
3	Install Items	Services		1 LOT	100.00 CAD Per	1	15	Between 2012.10.22 - 2012.10.27	1 / 0	0 / 0	

Legend: Display item details Change price

1 Message

Bid Sample Only RFQ is complete and contains no errors

Close

20. Once the bid is submitted a window will pop up confirming the submission. Select Ok;

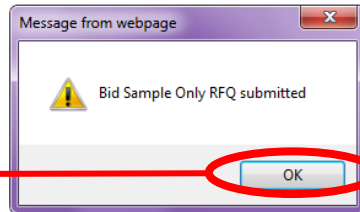
Display Bid

[Change](#) [Delete](#) [Check](#) [Refresh](#) [Output Preview](#)

[Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141


[General Data](#) [Item Data](#)



20

21. The Bid Status will display as "Bid Submitted" in the Process Bid transaction

- Do not use Submit to [Hold Bids](#).

mySAP SRM [Home](#) | [Help](#) | [Log off](#) 

Process Bids

Find Bid Invitations and Auctions

Number of Document: Name: Status: Processed by Me:

[Start](#) [Extended Search](#)

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 29 Hits

Number	Name	Trans_Type	End_Date	Bid Status	Action
7000001141	Sample Only RFQ	RFQ	2012.08.31 15:00:00	Bid submitted	
7000001194	Fabricated Steel - Sir Adam Beck # 2 TS	RFQ	2012.07.31 16:00:00	No Bid Created	
7000001193	Fabricated Light Angle Tower	RFQ	2012.07.31 15:00:00	No Bid Created	
7000001180	Milton SS - Paving	RFT	2012.08.16 14:00:00	No Bid Created	
7000001170	CA-RFP 7000001171 SR SAP BIBW DEVELOPER	RFP	2012.08.01 15:00:00	No Bid Created	

My Notes – Uploading Attachments

The BID System allows you to upload your own documents and notes to a specific item at the item level through the **Item Data** tab or at the general level through the **General Data** tab.

General Header Level Uploads

1. To add attachments or notes to an item you are bidding on, after you have clicked on Create, please click on the **General Data**;
2. Select **My Notes**;

Process Bid

[Submit](#) [Hold](#) [Delete](#) [Check](#) [Refresh](#) [Output Preview](#)

[Back to Initial Screen](#)

RFQ: Name Number

1 [General Data](#) [Item Data](#)

[Basic Data](#) | [Information from Purchaser](#) | **2** [My Notes](#) | [Partner/Delivery Address](#)

Check the information in your bid. You can also add your own notes.

3. Add any remarks on the **Bidder Remarks** text box
4. Provide the document name in the **Description** section
5. Click on **Browse** to locate the document on your computer
6. Click **Add** to attach the document to the Bid Invitation
7. The attachment will be listed under the "**Overview of Attachments**" section
8. To edit the description, select the attachment and click **Edit Description**
9. To delete an attachment, select the attachment and click **Delete**

If you want to attach more documents, repeat steps 4- 6

RFQ: Name Number

[General Data](#) [Item Data](#)

[Basic Data](#) | [Information from Purchaser](#) | [My Notes](#) | [Partner/Delivery Address](#)

Check the information in your bid. You can also add your own notes.

3 **Texts**

Bidder's Remarks

4 **Attachments**

Upload a Document:

Description

Path **5** [Browse...](#)

6 [Add](#)

7 **Overview of Attachments**

	Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
<input type="radio"/>	Pricing Matrix	Standard Attachment	1		xlsx	9	VEN0022HR395	2012.09.18 13:42:48

[Edit Description](#) [Delete](#)

Item Level Uploads

1. To add attachments or notes to a specific item you are bidding on, after you have clicked on Create, click on the **Item Data**;
2. Click on the number of the item you wish to add information to;

RFQ: Name Sample Only RFQ Number 7000001141

1 **General Data** **Item Data**

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
 (2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Documents	Action
1	Item to supply	Material		1 LOT	CAD Per	1	On 2012.10.18	0 / 0	0 / 0		
2	Item 2	Material		2 LOT	CAD Per	1	On 2012.10.18	0 / 0	1 / 0		
3	Install Items	Services		1 LOT	CAD Per	1	Between 2012.10.22 - 2012.10.27	1 / 0	0 / 0		

3. Click on **My Notes** section
4. Add any remarks on the **Bidder Remarks** text box
5. Provide the document name in the **Description** section
6. Click on **Browse** to locate the document on your computer
7. Click **Add** to attach the document to the Bid Invitation
8. The attachment will be listed under the **“Overview of Attachments”** section.
9. To edit the description, select the attachment and click **Edit Description**
10. To delete an attachment, select the attachment and click **Delete**

If you want to attach more documents, repeat steps 5- 7

General Data **Item Data**

Basic Data | Information from Purchase | **My Notes** | Partner/Delivery Address

Item Detail 2: Item 2

3 **My Notes**

4 **Bidder's Remarks**

Please refer to the Technical Specifications and drawings attached.

5 **Attachments**

Upload a Document:

6 Description Technical Specifications

7 Path \\0706MILPFV02\2046275\Synch\Fok Browse...

8 **Add**

Overview of Attachments

Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
Drawings	Standard Attachment	1		docx	14	VEN0022HR395	2012.07.23 11:43:26

Edit Description Delete

Partial Bidding

To submit a partial Bid, if applicable, please clear the Quantity, Price and Delivery fields for the items you do NOT want to submit a quote for; leave them blank and proceed to enter the values for the rest of the items. For example, in the submission seen below, a quote will not be provided for the Line Item number one;

RFQ: Name Pinard TS x Abitibi GS, Aggregate Number 7000001061

General Data Item Data

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
 (2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Price	Delivery ARO Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Action
1	100MM (4") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	<input type="text"/>	<input type="text"/>	<input type="text"/>	On 2012.07.09	0 / 0	1 / 0	
2	TRIAXLE DELIVERY 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000	CAD Per 1	15	On 2012.07.09	0 / 0	1 / 0	
3	MNR FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000	CAD Per 1	15	On 2012.07.09	0 / 0	0 / 0	
4	ENVIRONMENTAL FEE 100MM (4") CRUSHER RUN	Material	Backfill/Grading	45,000	CAD Per 1	15	On 2012.07.09	0 / 0	0 / 0	
5	150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000	CAD Per 1	15	On 2012.07.09	0 / 0	1 / 0	
6	TRIAXLE DELIVERY, 150MM (6") CRUSHER RUN,	Material	Backfill/Grading	15,000	CAD Per 1	15	On 2012.07.09	0 / 0	1 / 0	
7	MNR FEE, 150MM (6") CRUSHER RUN, GRAVEL	Material	Backfill/Grading	15,000	CAD Per 1	15	On 2012.07.09	0 / 0	0 / 0	
8	ENVIRONMENTAL FEE 150MM(6") CRUSHER RUN,	Material	Backfill/Grading	15,000	CAD Per 1	15	On 2012.07.09	0 / 0	0 / 0	
10	DEMURAGE	Material	Backfill/Grading	40.0	CAD Per 1	15	On 2012.07.09	0 / 0	1 / 0	

Legend: Display item details Change price

Warning Message Reminder

- If there was a line item left blank without a price, the system will issue a warning message. A partial bid may be allowed and in that case, it may NOT be mandatory to enter a price for all line items on the Bid Invitation. Please refer to the RFX document for further details.

Process Bid

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Basic Data | Information from Purchaser | My Notes | Partner/Delivery Address

Item Detail 2: Item 2

Item Category	Material
Vendor Product Number	<input type="text"/>
Product Category	<input type="text"/>
Quantity of Bid Invitation	2 LOT
Submitted Quantity	<input type="text"/> LOT
Price	<input type="text"/> Canadian Dollar Per 1 <input type="text"/> LOT
Item Value	0.00 CAD
Delivery Time (ARO) Days	<input type="text"/>
Required	2012.10.18 15:00:00
Incoterm	<input type="text"/>

1 Message

No price entered for some items

Section 08: Editing & Reviewing a Bid²

Putting a bid on Hold

1. The BID System allows bidders to put a bid on Hold, prior to the closing date. To put your bid on hold, after you have entered the values in the system, select the **Hold** button;

Process Bid

1

Submit **Hold** Delete Check Refresh Output Preview [Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

General Data **Item Data**

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.
(2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

Display Documents

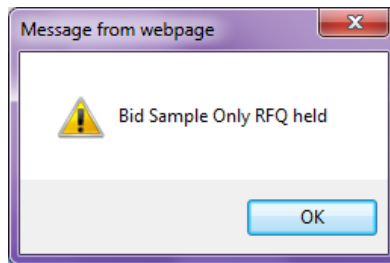
Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity		Price	Delivery ARO, Days	Required	Attachments (buyer/me)	Notes (buyer/me)	Documents	Action
1	Item to supply	Material		1	LOT	CAD Per 1		On 2012.10.18	0 / 0	0 / 0		
2	Item 2	Material		2	LOT	CAD Per 1		On 2012.10.18	0 / 0	1 / 0		
3	Install Items	Services		1	LOT	CAD Per 1		Between 2012.10.22 - 2012.10.27	1 / 0	0 / 0		

Legend: Display item details Change price

2. A confirmation message will appear to let you know that the RFQ response is held;



Status Implications on Submitting Bids

- If a Bid is in Held status and the Bid Invitation End Date is reached no Bid is submitted.
- While making a change to a previously submitted Bid and if the Bid Invitation End Date is reached the previously submitted bid is still valid.
- Changing a Bid and Submitting overwrites the previously submitted Bid.
- If a previously submitted Bid is changed and in Held status no Bid is submitted. The act of changing and Holding a previously Submitted bid WITHDRAWS the last submitted Bid.

² Please note that **only RFQs** are submitted in the BID System. All other RFx (RFP, RFPQ, RFI, and RFT) will be submitted as directed in the individual RFx.

Changing/Modifying a Bid

- Bidders can make changes to a bid *prior* to the Bid End Date. There are a few ways a bid can be edited:

Directly enter into Change Mode

1. Click on the pencil icon to directly enter into the Change Mode; 

Process Bids













Find Bid Invitations and Auctions

Number of Document: Name: Status: Current Bid Invitations Processed by Me:

[Start](#) [Extended Search](#)

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 25 Hits

Number	Name	Trans. Type	End Date	Bid Status	Action
7000001068	Sample Name Change	RFQ	2011.05.20 15:00:00	No Bid Created	  
7000001067	email cp test	RFQ	2011.05.22 00:00:00	No Bid Created	  
7000001066	AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	Bid submitted	  
7000001055	AS_Email Test 2011.05.19 08:41:07	RFQ	2011.05.31 00:00:00	No Bid Created	  

OR enter on Display Mode before Change Mode

1. Click on the bid number or on the magnifying glass to enter into the display mode;

Process Bids













Find Bid Invitations and Auctions

Number of Document: Name: Status: Current Bid Invitations Processed by Me:

[Start](#) [Extended Search](#)

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 25 Hits

Number	Name	Trans. Type	End Date	Bid Status	Action
7000001068	Sample Name Change	RFQ	2011.05.20 15:00:00	No Bid Created	  
7000001067	email cp test	RFQ	2011.05.22 00:00:00	No Bid Created	  
7000001066	AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	Bid submitted	  
7000001055	AS_Email Test 2011.05.19 08:41:07	RFQ	2011.05.31 00:00:00	No Bid Created	  

2. Click on **Change** to edit your Bid; 

Display Bid

2

[Change](#) [Delete](#) [Check](#) [Refresh](#) [Output Preview](#)

[Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

[General Data](#) [Item Data](#)

[Basic Data](#) | [Information from Purchaser](#) | [My Notes](#) | [Partner/Delivery Address](#)

Check the information in your bid.

Bid Number	8000001911
Time Zone	EST
End Date	2012.08.31 15:00:00
Opening Date	2012.08.31 16:00:00
End of Binding Period	2012.10.31
Validity Period	2012.10.01 To 2014.10.01
Bid Status	Bid submitted
Incoterm / Location	
Terms of Payment	
Currency	CAD Canadian Dollar
Created on	2012.07.24 13:23:14 by Ms. Bidder RegistrationHelp
Last processed on	2012.07.24 15:54:03 by Ms. Bidder RegistrationHelp

- Once in the change mode, it is possible to make changes to Bids as required following the procedure outlined in [Submitting Bids](#).

Process Bid

[Submit](#) [Hold](#) [Delete](#) [Check](#) [Refresh](#) [Output Preview](#)

[Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

[General Data](#) [Item Data](#)

[Basic Data](#) | [Information from Purchaser](#) | [My Notes](#) | [Partner/Delivery Address](#)

Check the information in your bid. You can also add your own notes.

Bid Number	8000001911
Time Zone	EST
End Date	2012.08.31 15:00:00
Opening Date	2012.08.31 16:00:00
End of Binding Period	2012.10.31
Validity Period	2012.10.01 To 2014.10.01
Bid Status	Bid submitted
Incoterm / Location	<input type="text"/>
Terms of Payment	<input type="text"/>
Currency	CAD Canadian Dollar
Created on	2012.07.24 13:23:14 by Ms. Bidder RegistrationHelp
Last processed on	2012.07.25 10:37:16 by Ms. Bidder RegistrationHelp

Changing a Bid – Implications

- If you click “Change” to modify a Bid, and it’s put on HOLD, you have effectively withdrawn the previous Bid.
- Be mindful that if you do not revisit and submit a HELD Bid, and the Bid Invitation closes, you have not submitted the Bid.

Printing a Submitted Bid

1. Click on **Output Preview**

Process Bid

Submit Hold Delete Check Refresh **Output Preview** [Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Basic Data | Information from Purchaser | My Notes | Partner/Delivery Address

Check the information in your bid. You can also add your own notes.

Bid Number	8000001911
Time Zone	EST
End Date	2012.08.31 15:00:00
Opening Date	2012.08.31 16:00:00
End of Binding Period	2012.10.31
Validity Period	2012.10.01 To 2014.10.01
Bid Status	Bid submitted
Incoterm / Location	<input type="text" value="M"/>
Terms of Payment	<input type="text"/>
Currency	CAD Canadian Dollar
Created on	2012.07.24 13:23:14 by Ms. Bidder RegistrationHelp
Last processed on	2012.07.25 10:37:16 by Ms. Bidder RegistrationHelp

2. A PDF file will open in a separate window, click on the disk to save the bid or
3. click on the printer to print the bid;

Company Bid System Help Desk
TORONTO ON M5G 2P5
CANADA

Bid

Information
Hydro One Description: Sample Only RFQ
Bid Invitation Number: 7000001141
Bid Number: 8000001911

2. To save a copy

3. To print

Bid details
Item Description Product number Vendor product number Delivery Time (ARO)
Days


- Please note that you can only print a bid submission *before* the End Date

Status Implications on Submitting Bids

- If a Bid is in Held status and the Bid Invitation End Date is reached no Bid is submitted.
- While making a change to a previously submitted Bid and if the Bid Invitation End Date is reached the previously submitted bid is still valid.
- Changing a Bid and Submitting overwrites the previously submitted Bid.
- If a previously submitted Bid is changed and in Held status no Bid is submitted. The act of changing and Holding a previously Submitted bid WITHDRAWS the last submitted Bid.

Section 09: Deleting a Bid³

Delete a Held Bid

- You can delete a Bid before it is submitted; while it is Held. The bid status should not have the status Bid Submitted, in which case the trash can icon  will not be available.

1. Deletion can be done by clicking the trash can on the appropriate line from the Process Bid transaction

Process Bids
















Find Bid Invitations and Auctions

Number of Document: Name: Status: Current Bid Invitations Processed by Me:

[Start](#) [Extended Search](#)

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

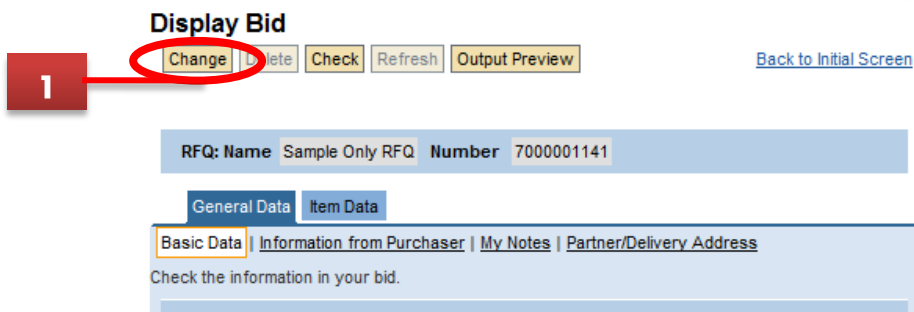
Search Result: 25 Hits

Number	Name	Trans. Type	End Date	Bid Status	Action
7000001068	Sample Name Change	RFQ	2011.05.20 15:00:00	No Bid Created	  
7000001067	email cp test	RFQ	2011.05.22 00:00:00	No Bid Created	  
7000001066	AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	Bid submitted	  
7000001055	AS_Email Test 2011.05.19 08:41:07	RFQ	2011.05.31 00:00:00	Held	  
7000001054	Henry Test email 2011.05.18 17:19:48	RFQ	2011.05.31 00:00:00	No Bid Created	  

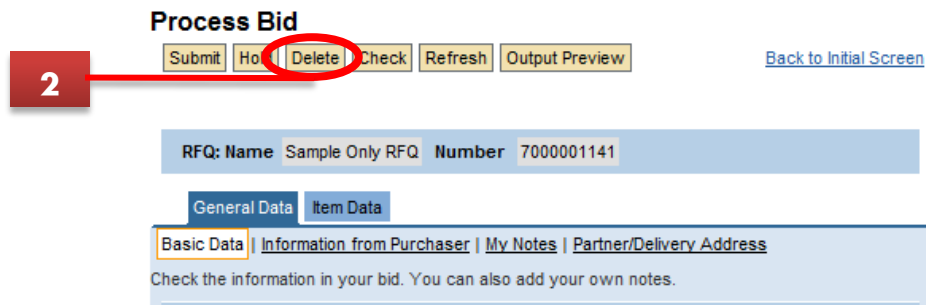
OR the Bid can also be deleted by going into the bid;

1. Start by clicking **Change** button;

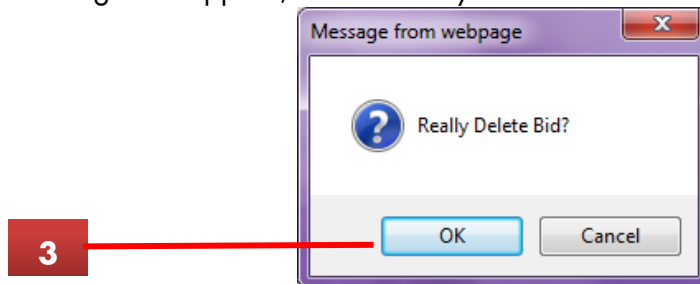
³ Please note that **only RFQs** are submitted and can be deleted in the BID System. All other RFx (RFP, RFPQ, RFI, and RFT) will be submitted as directed in the individual RFx.



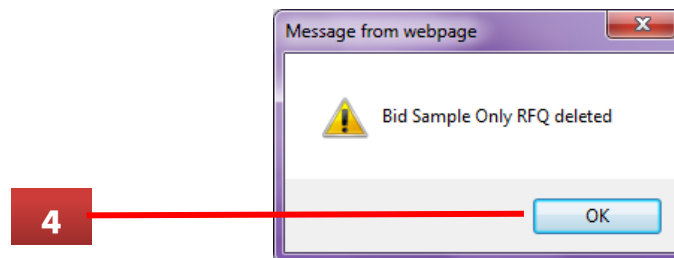
2. Proceed to click the **Delete** button that has now become active;



3. A confirmation message will appear, select **Ok** if you wish to continue with the deletion;



4. The System will confirm once the bid has been deleted – select Ok to continue;



Delete a Submitted Bid

- You can only delete a Submitted Bid before its closing time has been reached.

1. To delete a bid that has been submitted, please access the bid and click on the **Change** button;

1 **Display Bid**

Change Delete Check Refresh Output Preview [Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Basic Data Information from Purchaser My Notes Partner/Delivery Address

Check the information in your bid.

2. Select **Hold**;

2 **Process Bid**

Submit Hold Delete Check Refresh Output Preview [Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Basic Data Information from Purchaser My Notes Partner/Delivery Address

Check the information in your bid. You can also add your own notes.

3. A confirmation message will appear, select Ok;

3

Message from webpage

! Bid Sample Only RFQ held

OK

4. Proceed to click on **Change**;

4 **Display Bid**

Change Delete Check Refresh Output Preview [Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

Basic Data Information from Purchaser My Notes Partner/Delivery Address

Check the information in your bid.

Bid Number	8000002511
Time Zone	EST
End Date	2012.10.01 15:00:00
Opening Date	2012.10.02 16:00:00

5. At this point, the Delete button should be active. Click on **Delete**;

5

Process Bid

Submit Hold **Delete** Check Refresh Output Preview [Back to Initial Screen](#)

RFQ: Name Sample Only RFQ Number 7000001141

General Data Item Data

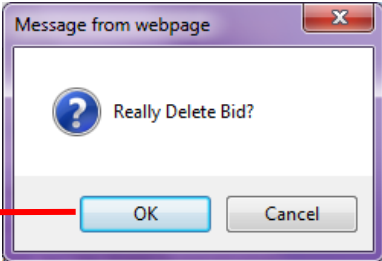
Basic Data Information from Purchaser My Notes Partner/Delivery Address

Check the information in your bid. You can also add your own notes.

Bid Number	8000002511
Time Zone	EST
End Date	2012.10.01 15:00:00
Opening Date	2012.10.02 16:00:00
End of Binding Period	2012.11.30
Validity Period	2012.10.01 To 2014.10.01
Bid Status	Held

6. A message will ask you to confirm if you wish to delete the bid – Select Ok to proceed with the deletion;

6



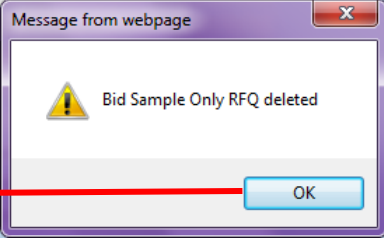
Message from webpage

Really Delete Bid?

OK Cancel

7. Once the bid has been deleted, the system will prompt a confirmation message;

7



Message from webpage

Bid Sample Only RFQ deleted

OK

Troubleshooting

Errors

1. Locked Account for “Too Many Failed Attempts”

If your account has been locked for too many failed attempts, reset your existing password by following the Forgot Password on the Doing Business with Hydro One portal;

www.HydroOne.com/DoingBusiness

Once you have reset the password, the email address registered in your account will receive a message with the temporary log in. Please make sure that you copy and paste this information when logging back in – the failure to enter the user ID and password correctly is what may lock your account access on the first place.

2. Security Words

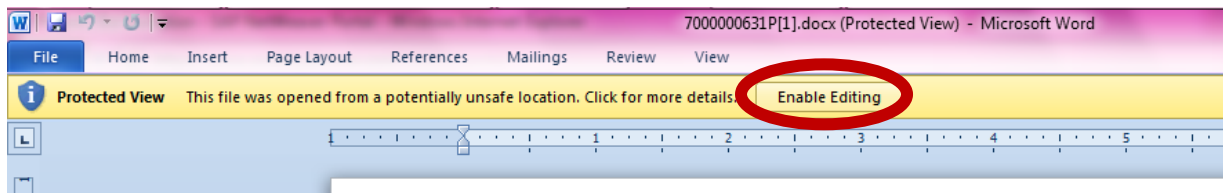
In most cases, it is not the security words preventing your successful registration. You need to scroll to the top of the page – you will see an error message as to what the issue is. In most cases, a required field was not filled in.

Ultimately, if you are still having difficulties reading the security words provided, please click on the “Refresher button” to get a new selection. The security words need to have a space in between them;



3. Not able to open attachments from the RFP Word document.

Once you open the RFP document in Word, you need to click on “Enable Editing” (as seen below) in order to access all of the documents attached.



FAQs – Frequently Asked Questions

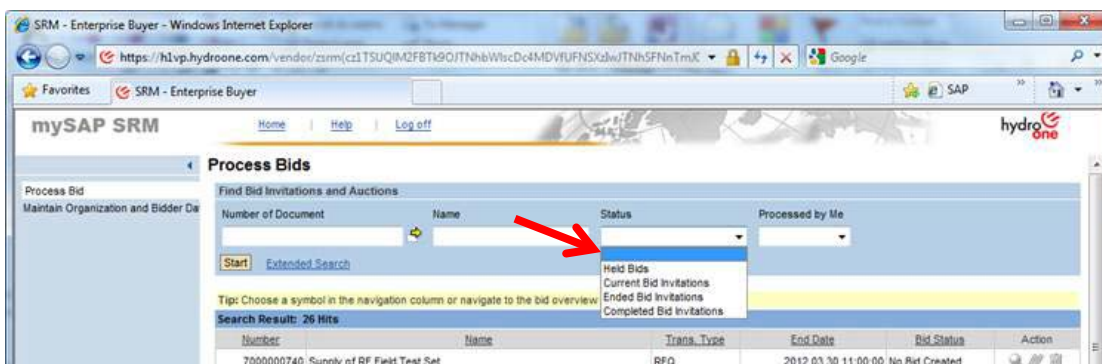
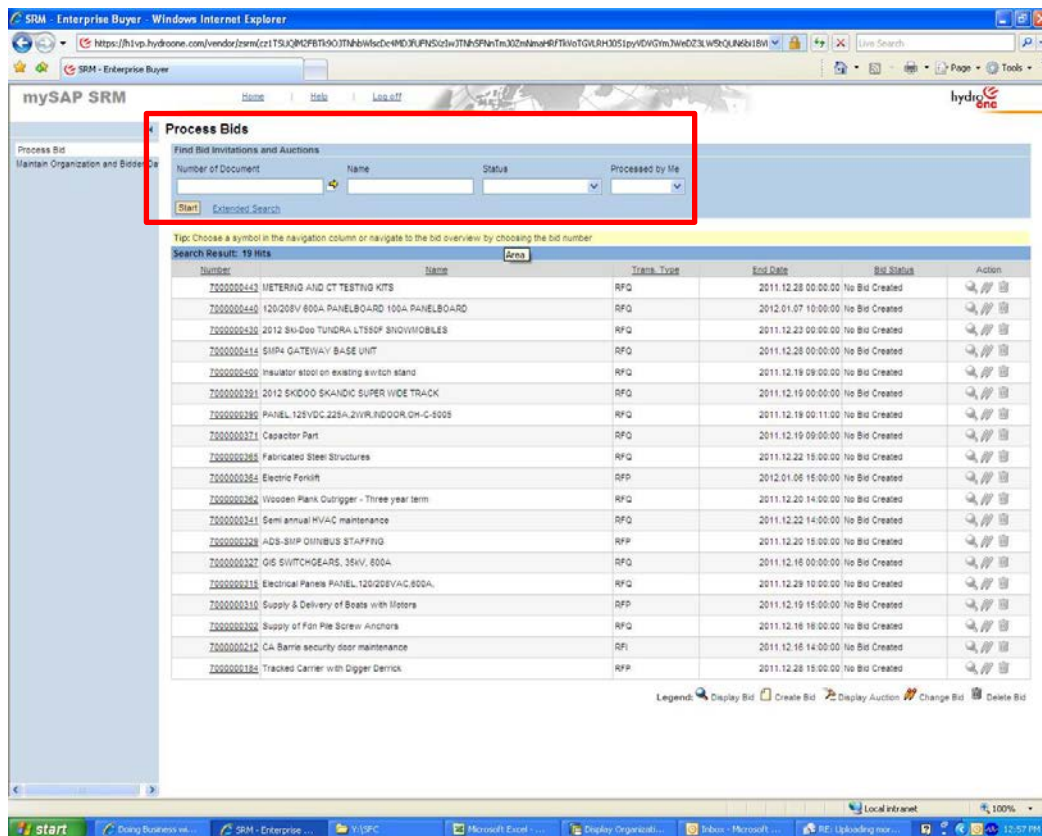
1. How to block an account belonging to a former employee?

Send request to Help.BidderRegistration@HydroOne.com

2. How to view all available RFXs?

In order to view the **entire list** of RFPs, RFTs, & RFQs open to the public and not just categories you have registered for, please ensure you leave the search criteria blank in the *Process Bids* tab (as seen below).

To clear the fields in the drop-down lists, select the blank option, as seen below:



3. What are the system requirements for the use of the BID System?

In order to use this application, Hydro One recommends you need the following minimum or higher system requirements:

- Web Browser
 - Internet Explorer 6.0 or higher
- Operating System
 - Windows 2000
 - Linux SUSE SLES 8/IA32 32BIT
- Adobe Reader version 9 or higher

4. How to find out the area for a posted project?

Please check the “[Partner/Delivery Address](#)” for delivery information of the goods and/or services pertaining the Bid Event.

Contact Us

The Bidder Registration Help Desk is available to answer inquiries through Help.BidderRegistration@HydroOne.com

ATTACHMENT # 15 – PROPOSAL RETURN LABEL

AFFIX THIS LABEL TO YOUR SUBMISSION PACKAGE ENVELOPE

Proponent to complete the following:
(Full Legal Company Name and Address)

NAME: _____

ADDRESS: _____

CONTACT: _____

PHONE: _____

RFP No. 7000005537

RFP Title: Cost Allocation Study

PROPOSAL SUBMISSION DEADLINE:

Date: March 23, 2015

Time: 3:00:01 p.m. (Toronto, Ontario)

Company Name: _____

**TO: Hydro One Networks Inc.
Proposal Depository
483 Bay Street, South Tower,
Ground Floor Reception Desk
Toronto, Ontario
M5G 2P5
Attention: Lynnette Harris
Reference: 7000005537**



IMPORTANT INSTRUCTIONS:

Proposals must be submitted in a sealed package(s) to the address indicated on the Proposal Return Label between the hours of 9:00 AM to 3:00 PM (Toronto Time), Monday through Friday (excluding holidays observed in Ontario), AND NO LATER THAN THE PROPOSAL SUBMISSION DUE DATE AND TIME.

Hydro One does not accept responsibility for proposal submissions directed to any location other than the address and location indicated on the label above. The onus remains solely with proponents to instruct courier/ delivery personnel to deliver proposal submissions to the Hydro One Proposal Depository location specified above.

Proponents assume sole responsibility for late deliveries.

The Proponent should factor in that there may be delays or other conditions at the Proposal Depository that could delay the date and time-stamping of their response, and that their own clock (and other clocks) may show a time different than the time-stamp clock used for receipt of responses, and this may result in their response being late. The Proponent is also cautioned that there could be a high volume of visitor traffic at the reception desk which may cause delay in the time-stamping of the Proposal and result in a Proposal response being late.

Proposals received by Fax or any other kind of electronic transmission will be rejected.



**ADDENDUM #1
March 18, 2015**

Issued by email to all Proponents:

Subject: Request for Information: RFP# 700005537

The purpose of this addendum is to:

A) Provide answer to vendor questions.

1) Question: Under Section 3.3 of the RFP – Scope of Work, it is indicated that the consultant’s study will be used in the preparation of Hydro One’s Business Plan for the 2016-2020 period. Since the consultant’s final reports are to be completed by October 1, 2015 (as per Section 3.4.1 of the RFP – Schedule/Required Completion), please indicate when Hydro One will have final financial amounts from its Business Plan for the 2016-2020 period available to the consultant to be able to distribute the 2016, 2017, and 2018 budgeted cost by function and service in the final reports?

Answer: Final amounts will not be available until September/October and might even change just before the November board. I would say that there isn’t a real urgency to have the final report completed by Oct 1, 2015. Likely the middle of December would be a more realistic deadline.

2) Question: Under Section 3.3 of the RFP – Scope of Work, it is indicated that Hydro One’s Business Plan for the 2016-2020 period will be the basis for the 2017/2018 Transmission rate application which is expected to be submitted to the OEB in Q1 2016. Does Hydro One also plan to file a Distribution rate application with the OEB in 2016 for the 2017/2018 period, or for a different timeframe?

Answer: As far as I know now, the Distribution rate application will now be in Q1 2017 for the 2018/2019 time period.

3) Question: If a Distribution rate application will be submitted to the OEB by Hydro One in 2016, will the consultant’s study and reports be filed as part of that application?

Answer: The consultant’s study and reports will be filed as part of the Distribution application.

4) Question: Under Section 3.4.1 of the RFP – Schedule /Required Completion, it is indicated that the deadline for the completion of the methodologies is June 30, 2015. It is further indicated that this deliverable “is a review of the current methodologies with an update reflecting currently available data.” Is it Hydro One’s intent for the consultant to provide “an update reflecting currently available data” or will Hydro One furnish that update to the consultant for its “current methodologies” review? If the response is that the consultant will provide the update, what time period will be used for the update, and when will Hydro One provide the available data to the consultant to complete the update?

Answer: Normally the consultant would review the current methodology with any updated data (Hydro One would update the data based on an existing methodology with new dollars, drivers, new org structure, new time study, etc.) However, I don't think June 30, 2015 is a realistic timeframe as we might not even have all the inputs by June 30th. Once we have all the inputs and the model is updated they would need some time to review. End of July is probably a more realistic deadline.

5) Question: In Section 3.7 of the RFP – Roles and Responsibilities/Quality/Expertise Requirements, does the phrase, “Competitive flat fee structures are required” mean that only a not-to-exceed fee and expenses estimate for completion of the study will be acceptable to Hydro One?

Answer: I'm not sure how to answer regarding the fees. I understand the last time it was just their hours based on the rates they charged as well as expenses.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME IN THE RFP

Yours very truly,

Lynnette Harris
Buyer,
Supply Chain Services
Telephone: 416-345-5481 Fax: 416-345-6068
E-mail: lynnette.harris@hydroone.com

Canadian Manufacturers & Exporters Interrogatory # 30

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-01 Page 5, Lines 3 to 10

Interrogatory:

Hydro One refers to Contract Staff who are individuals engaged as independent contractors, not on the Corporation's payroll and states that "They are engaged at Hydro One for varying amounts of time and paid varying amounts commensurate with their skill sets and market rate for that skill. Contract staff are tracked by work programs or activities and not by headcount."

- a) Please produce the Contract Staff data as tracked by work programs and activities.
- b) Please produce data to indicate how much it is spending on Contract Staff. If the data is not available, please explain why not. If the data is available, produce the data in the same format as Exhibit C1, Tab 2, Schedule 1, Attachment 6.
- c) How does the Corporation ensures that it is paying Contract Staff market rates for the skills procured?
- d) What percentage of Contract Staff are former employees of Hydro One?

Response:

- a) Table 1 depicts the number of Hydro One's Contract Staff in 2016 and 2017. (In this response, "ISD" refers to the Information Solutions Division.) Contract Staff members have different contract durations throughout the respective years. For example, one Contract Staff member may have a two-month contract while another may have had a full year contract. Contract Staff are not included in Hydro One's overall headcount.

Table 1: Number of Contract Staff at Hydro One

2016		2017	
Line of Business	Count	Line of Business	Count
Corporate Relations	3	CORP FUNCTIONS & SRVCS	1
Customer Service	11	Corporate Relations	3
Finance	4	Customer Service	14
HR	1	Finance	4
ISD	82	HR	1
Planning	4	ISD	112
Regulatory	1	MARKET SOLUTIONS	1
Stations	3	Planning	4
Telecom	16	Regulatory	2
Grand Total	125	Stations	3
		SUPPLY CHAIN	2
		Telecom	13
		Grand Total	160

b) Contract Staff are paid on an hourly rate basis as per the established contracts. Contract Staff support varies on monthly basis. Beginning in 2016, Hydro One began reporting on spending at this level of detail. As such, Hydro One can provide data for 2016 and 2017 only. (See Table 2.) Hydro One did not track spending at this level of detail prior to 2016. Contract Staff costs are embedded in the cost forecasts for work programs and projects as reflected in Exhibits B1 and C1.

Table 2: Hydro One Spending on Contract Staff

Year	2017	2016
Contract Staff	\$ 20,761,938	\$ 18,983,948

c) Hydro One ran a competitive process and negotiated rates. They are in line with market rates.

d) Hydro One's Human Resource Information System cannot cross reference those who are employed as contract staff in the manner requested. There is an existing human resource policy that does require managers who intend to hire a former Hydro One employee to obtain senior level management approval prior to hiring as a contractor.

1 **Canadian Manufacturers & Exporters Interrogatory # 31**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 C1-02-01 Page 22
10

11 **Interrogatory:**

12 Hydro One indicates that “Incentive-based compensation rewards performance and allows the
13 Company to attract, motivate and retain qualified employees in a competitive labour market.”
14

- 15 a) Please provide statistical data of management attrition levels before and after the Incentive-
16 based compensation rewards program was implemented.
17
18 b) Please provide any studies which Hydro One conducted prior to implementing the incentive-
19 based compensation program which indicated that management-level turnover was a concern
20 of the corporation.
21

22 **Response:**

- 23 a) Please see Exhibit I-40-SEP-15 for a review of attrition levels from 2015 to 2108.
24
25 b) Hydro One has not conducted the requested studies. The reference is a general statement
26 intended to explain the rationale and benefits of incentive based compensation. As of
27 September 30, 2017, 21% of MCP employees are eligible for an unreduced pension which is
28 a higher percentage than the eligibility rate of 18% companywide. This is a concern since
29 this segment of the organization tends to be managers, supervisors or individual contributors
30 who possess technical expertise.

1 **Canadian Manufacturers & Exporters Interrogatory # 32**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01 Page 28

10
11 **Interrogatory:**

12 Hydro One attributes “below average base wage increases” in collective bargaining settlements
13 with PWU and the Society to the new benefit provided to these unionized employees of being
14 eligible to receive shares of Hydro One Limited. Hydro One also advises that the first share grant
15 day for eligible PWU represented employees is April 1, 2017. The first share grant for Society
16 represented employees is April 1, 2018.

- 17
18 a) Confirm whether the PWU or the Society negotiated any other monetary or benefit increases
19 beyond those that are specifically referenced on pages 28 through to 30. If further monetary
20 or benefit increases were negotiated, provide full particulars.
- 21
22 b) Provide a copy of the Collective Bargaining Agreements with the PWU and the Society as
23 negotiated in the most recent round of bargaining referred to on page 28 through to 30 as
24 well as the prior two Collective Bargaining Agreements with each union.
- 25
26 c) Please advise of the number and value of shares granted to PWU employees on April 1,
27 2017.
- 28
29 d) Please provide documents which provide details regarding these share plans including any
30 policies developed regarding the share plan or documents signed between Hydro One and the
31 unions regarding these share arrangements.

1 *Response:*

2 a) There were some additional items negotiated.

3
4 For the PWU, these include:

- 5 • Increase in chiropractic and vision benefits;
- 6 • Shift differential increase;
- 7 • Stand-by pay increase;
- 8 • 1.5 times overtime after one hour beyond shift; and
- 9 • Board and travel increase for Hiring Hall employees

10
11 For the Society, these include:

- 12 • Introduction of ESOP; and
- 13 • Increased vision and chiropractic benefits.

14
15 b) Please see Attachments 1-6.

16
17 c) The number of share grants for PWU represented employees issued on April 1, 2017 was
18 371,610 with a value of \$7,618,017.

19
20 d) Please see Attachments 7-8.

COLLECTIVE AGREEMENT

Between

Filed: 2018-02-12
EB-2017-0049
Exhibit I-40-CME-32
Attachment 1
1 of 360

HYDRO ONE INC.

And

**POWER WORKERS' UNION
CANADIAN UNION OF PUBLIC
EMPLOYEES – C.L.C.
LOCAL 1000**

April 1, 2011 – March 31, 2013

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D	Weekly Salaried (Pink)	D-1	–	D-44
	Appendix “A” for Construction and Supplementary Maintenance (White)	AP-1	–	AP-46

NOTE

*In order to readily identify changes in this Agreement from the previous one, new changes are printed bold and in italics. Note that certain foreign words used within the text are, by convention, also printed in italics however these words are easily identifiable and should not cause confusion.

**This document was revised following the 2011 negotiations with the intent of separating the sections pertaining to Meal Provisions, Hours of Work, Shift Work, Relief Work and Overtime into the sections relating to each of the respective groups (Parts B, C and D). None of the changes made towards this end amend the intent of the original document. In the event that a dispute arises regarding the intent of the changed items the 2008-2011 Hydro One – PWU Collective Agreement shall apply.

MID-TERM AGREEMENTS

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MT-3	Time Charges and Expenses – Power Workers’ Union Representatives	NPP 3
MT-4	Hand Tool Ownership and Trades Occupational Definitions	NPP 4
MT-5	Expense Reports and Transportation Requisitions	NPP 6
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MT-11	Processing of Waiver Requests	PW 1-1
MT-12	Contracting Out	PW 2
MT-13	Late Applications	PW 4
MT-14	Future Agency Employees	PW 12-1
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MT-16-1	Wage Schedule 86	PW 34
MT-17	Benefit Entitlement of Construction Employees Transferring into the Power Workers’ Union Bargaining Unit	PW 35
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MT-28	Remote Community Electricity System Division Work Headquarters	R-145-1
MT-29	Regional Maintainer Classifications	R-147-1
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COLLECTIVE AGREEMENT

BETWEEN

HYDRO ONE INC. (The Company)

and

POWER WORKERS' UNION (PWU), CANADIAN UNION OF PUBLIC EMPLOYEES, Local 1000 – CLC, hereinafter referred to as the “Union” which executes this Agreement by M. Hyatt, D. Farrell, **T. Chessell** and G. Dawson, who have been duly appointed the purpose, in accordance with the constitution of the Union.

WHEREAS the Union has requested the Company to enter into a Collective Agreement and the Company has consented thereto:

NOW THIS AGREEMENT WITNESSETH

that there shall be four parts, namely, Part ‘A’ – General Items, Part ‘B’ – Maintenance Trades, Part ‘C’ – Controllers/Dispatchers/Trainees, and Part ‘D’ – Weekly-Salaried. It is also witnessed that the Company and the Union agree each with the other as follows:

ARTICLE 1 RECOGNITION COLLECTIVE BARGAINING UNIT

- 1.1** The Company recognizes the Union as the sole bargaining agent for all regular, part-time and temporary employees¹, including technicians of the construction field forces and security employees² but excluding:
- (a) Employees now represented by other bargaining agents.
 - (b) Persons above the rank of working supervisor.
 - (c) Persons who exercise managerial functions in accordance with the *Ontario Labour Relations Act*.
 - (d) Persons employed in a confidential capacity in matters relating to labour relations in accordance with the *Ontario Labour Relations Act*.

1 “Employees” are employees pursuant to the Labour Relations Act for Ontario SO, 1995, c.1 Schedule A, as amended.

2 Security employees at the following locations: (At the time of printing no locations were identified).

- 1.2** When an employee is removed from normal duties to act in a vacated position or relieve for an incumbent or perform a temporary assignment, the following shall apply:
- (a) When the length of time involved is known to be three months or less, the employee will retain his/her present jurisdictional status.
 - (b) When it is expected that the length of time will be longer than three months, the employee will be excluded or included at the commencement of his/her new responsibilities. However, in the event the period is actually less than three months:
 - (1) in exclusion cases, the Union will be reimbursed the dues which would have been paid;
 - (2) in inclusion cases, the Union will reimburse the employee the dues which have been paid.
 - (c) When the length of time is unknown, the employee will retain his/her present jurisdictional status up to the three month period. If the period extends beyond three months, the employee will then be either included or excluded.

ARTICLE 2 GRIEVANCE PROCEDURE

2.1 Any allegation that an employee has been subjected to unfair treatment or any dispute arising out of the content of this Agreement shall be understood to be a fit matter for the following grievance procedure. All matters of grievance by any employee or group or class of employees for whom the Union is the bargaining agent and which the Union may desire to present shall be dealt with in accordance with the following procedure.

2.2 It is mutually agreed by the parties hereto that it is the spirit and intent of this Agreement to adjust grievances promptly. Therefore, any employee covered by this Agreement having a grievance may present such grievance to the representative of the Union appointed by the Union for that purpose. The Union representative may then proceed to have such grievance adjusted in accordance with the following steps established hereby for the purpose of adjusting grievances.

2.3 Grievances

Grievances are to be filed within thirty (30) days from the date that the grievor knew or should have known the facts giving rise to the grievance. The Company is to reply in writing within seven (7) days.

Steps in grievance process: Non-disciplinary matters:

Step 1 Within seven (7) days of reply or time limited for reply, a meeting with contact supervisor.

Step 2 If Step 1 meeting not held or if grievance not resolved at Step 1, grievances go to next scheduled meeting of Grievance Review Board.

2.4 Grievance Review Board

The Grievance Review Board shall consist of two Union representatives (at a high level) and two Management representatives (at a high level), who will have the authority to agree unanimously to a final and binding settlement of any grievance or unanimously agree to the scheduling of any grievance.

Grievance Review Board meetings are to be scheduled regularly as agreed to by the parties or ordered by the Chief Arbitrator in all work locations. The purpose of the Grievance Review Board will be to attempt to settle all cases, failing which the Grievance Review Board will agree to facts where possible and ensure that all documentary and other evidence is disclosed by the parties.

If not resolved at the Grievance Review Board, grievances move to arbitration.

2.5 Disciplinary Matters

2.5.1 Prior to the imposition of any disciplinary penalty, the Company shall hold a Disciplinary Interview, which shall replace Step 1 of the grievance process.

2.5.2 The Company shall provide the Union and any employees who may be disciplined three (3) days' notice of the Interview.

2.5.3 The Interview shall take place between the Company, the Union and the accused individual.

2.5.4 The Company shall set out its allegations and except where the allegations could constitute a criminal offence, the Union or the individual(s) shall set out their version of the events. Minutes, but not a transcript, of the Interview setting out the substance of the discussion shall be taken.

2.5.5 The minutes of the meeting shall be provided to the Union and the accused individual(s) within seven (7) days of the Interview.

2.5.6 The Union and the accused individual(s) shall forward a written reply to the minutes, if any, within seven (7) days of receipt of the minutes.

- 2.5.7** Should the Company choose to impose discipline, the Union has ten (10) days to file a grievance commencing at Step 2.
- 2.5.8** Nothing in the disciplinary interview process is intended to interfere with the Company's right to investigate matters.
- 2.6 Facilities and Costs**
- 2.6.1** The Company shall provide the necessary facilities for all meetings in the grievance process.
- 2.6.2** Maintenance of normal earnings and payment of expenses shall be provided by the Company for all Union representatives on a grievance committee.
- 2.6.3** The fees of all arbitrators and costs associated with arbitration hearings shall be shared equally by the parties, subject to current practices.
- 2.7 Dispute Resolution – Article 8, Plan B and OGLs**
- Any Article 8, Plan B or OGL disputes shall be resolved on an expedited basis as set out below:
- 2.7.1** The Union shall commence this dispute resolution process by filing a grievance with the relevant contact supervisor. The parties shall meet within seven (7) days to attempt to resolve the grievance. Failing a resolution of the matter within fourteen (14) days of filing the grievance, the matter will be referred to the next meeting of the Job Classification Committee (JCC). Failing resolution at that meeting, the grievance shall be referred to the Job Classification Tribunal (JCT).
- 2.7.2** The JCC shall sit monthly or as otherwise agreed to by the parties and consist of two (2) Union and two (2) employer representatives. It shall have the power to resolve any Article 8 and Plan B disputes referred to it by unanimous agreement.
- 2.7.3** The JCT shall consist of a Chair, a Union nominee and a Company Nominee. The parties hereby nominate Chris Paliare and John West as their nominees. Martin Teplitsky shall be the Chair and may, after consultation with the parties, appoint his successor as Chair.
- 2.7.4** The JCT shall hear grievances on an expedited basis and decide at least fifteen (15) grievances per day. No decision of the JCT is precedent setting unless the JCT expressly declares it to be so.
- 2.7.5** Briefs shall be prepared by each party for each grievance including a statement of facts, brief argument and the relevant provisions

of the Collective Agreement. These briefs shall be provided to the Chair of the JCT at least 7 days prior to any hearing date. The Chair of the JCT will advise which grievances will require witnesses for credibility issues. The parties will also exchange these briefs.

2.7.6 The JCT shall determine its own procedure, may admit evidence that would not be admissible in court and may rely on such evidence to render a decision. The JCT shall have the power and authority to determine the real issues in dispute between the parties in any particular case and to relieve against time limits in the grievance process. All decisions will be final and binding. All arbitrators shall have the power to make interim relief orders. The JCT shall take into consideration the relevant terms of the Collective Agreement and its appendices.

2.8 Facilities and Costs

2.8.1 The Company shall provide the necessary facilities for all meetings in the Article 8, Plan B, and OGL grievance process.

2.8.2 Maintenance of normal earnings and the payment of expenses shall be provided by the Company for all Union representatives on a dispute resolution committee as per Article 2.7.

2.8.3 The fees of the JCT Chair and costs associated with JCT hearings shall be shared equally by the parties. Each party will pay its own nominee on the JCT.

2.9 The Company will finalize any formal grievances presently in the process of completion but not finalized before the Agreement is signed.

ARTICLE 2A DISCIPLINE AND DISCHARGE

2A.1 Any allegation that an employee has been demoted, suspended, discharged or otherwise disciplined without just cause shall be a fit matter for the grievance and arbitration procedures as provided for in this Collective Agreement.

2A.2 When disciplining or discharging probationary employees for just cause, it is recognized that the probationary period is an extension of the selection process and that they have short service. Therefore, the threshold for discipline and discharge may be less than that of a regular employee in similar circumstances.

2A.3 Disciplinary penalties resulting in a suspension without pay will not be imposed until a final decision, (agreement between Union and Management, or an arbitrator's judgment) has been reached.

2A.4 A copy of all letters of employee reprimand shall be sent to the chief steward, except in cases where in the Company's opinion the matter involved is of a confidential nature. In the latter instance, the letter will state that the Union has not received a copy of the letter.

This shall not prevent a supervisor from taking on-the-job disciplinary action including immediate suspension subject to later confirmation.

2A.5 Unless otherwise agreed to, after a letter(s) of reprimand has been on an employee's file for a maximum of two years, and there have been no further occurrences, then the letter(s) of reprimand will be removed from all files.

ARTICLE 3 ARBITRATION

3.0 The Arbitration Process

The arbitration process will continue on the basis of the practice currently adhered to by the parties, but any disputes relating to such practice or any requests for changes in the practice may be referred to the Chief Arbitrator, or Deputy Chief Arbitrator as referred to herein, for a ruling.

3.1 This procedure shall not apply to Union allegations of unfair treatment or Union concerns regarding the adequacy of job documents and/or the rating, for jobs covered by the Clerical-Technical Job Evaluation Plan or the Area Clerk Plan, which shall be processed in accordance with the challenge procedures contained in The Union Clerical-Technical Job Evaluation Manual.

3.2 Where a difference arises between the parties relating to the interpretation, application, or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration.

3.3 Unless the parties agree to a Board of Arbitration, or the Chief Arbitrator or the Deputy Chief Arbitrator so order, all grievances shall be submitted to Single Panel Arbitration.

3.4 Chief Arbitrator and Deputy Chief Arbitrator

For the duration of this Collective Agreement, Martin Teplitsky shall serve as the Chief Arbitrator. The Chief Arbitrator will have

exclusive, final and binding authority over all issues relating to the scheduling of cases, including decisions as to who hears which case and when it is heard and shall have the power to relieve against time limits, including those in the grievance process and the referral to arbitration in respect of all cases.

3.5 All Arbitrators

All arbitrators are to determine their own procedure, may admit evidence that would not be admissible in court and may rely on such evidence to render a decision. All arbitrators will have the power and authority to determine the real issues in dispute between the parties in any particular case and to relieve against time limits in the grievance process. All arbitrators' decisions will be final and binding. All arbitrators shall have the power to make interim relief orders.

3.6 Principles of Single Panel Arbitration

- (a) Arbitrators shall decide up to fifteen (15) grievances each day. The cases shall be heard on an expedited basis after the parties have exchanged their written briefs. Oral evidence may be called only where the arbitrator deems necessary and only with leave of the arbitrator.
- (b) The decisions are precedent setting and shall be accompanied by reasons on any non-factual issues.
- (c) The parties may use the services of counsel.

3.7 Powers of the Chief Arbitrator in the Single Panel Process

- (a) The Chief Arbitrator, in consultation with the parties, will have the power to:
 - (i) appoint arbitrators;
 - (ii) assign grievances for resolution;
 - (iii) schedule hearing dates in consultation with the parties.

Any of the Chief Arbitrator's powers may be delegated to the Deputy Chief Arbitrator.

3.8 Board of Arbitration

A Board of Arbitration shall consist of a Company nominee, a PWU nominee, and an Arbitrator. A party requesting that a grievance be

heard by a Board of Arbitration shall do so in writing to the other party within 10 days of the date the GRB referred the grievance to arbitration.

3.8.1 Nominees

Once either party notifies the other party that an unresolved grievance will be referred to arbitration, such notice shall contain the name of the first party's nominee to an arbitration board. The recipient of the notice shall within 10 days, if he/she consents to the grievance being heard by a Board of Arbitration, advise the other party of the name of its appointee to the arbitration board. The parties shall then have 10 days to agree to a Chairperson for the Board of Arbitration.

3.8.2 Arbitrator

If the parties agree that a Board of Arbitration should hear a grievance but fail to agree upon a chairperson within the time limit, an appointment shall be made by the Chief Arbitrator, or, if the Chief Arbitrator is incapable of doing so, through the facilities of the Ontario Labour Management Arbitration Commission or the Minister of Labour, upon the request of either party. The Arbitration Board shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee affected by it. The decision of a majority shall be the decision of the Board of Arbitration, but if there is no majority, the decision of the chairperson shall govern. However, in no event shall the Board of Arbitration have the power to change, alter, modify or amend any provision of this Agreement.

3.8.3 Powers of the Chief Arbitrator in the Board of Arbitration Process

- (a) To determine the hours within which arbitrations are conducted.
- (b) To assist in reducing the cost, and reducing the delay and increasing the efficiency of the arbitration process.

ARTICLE 4 WORKING CONDITIONS

- 4.1** Working conditions during the term of this Agreement shall be as outlined in this Agreement and Mid-Term Agreement³ except such Mid-Term Agreements as are agreed obsolete by the parties.

³ A Mid-Term Agreement is a modification of the Collective Agreement executed by the parties on the prescribed form (a specimen of which is shown below) during the term of the Collective Agreement.

In addition, the general environmental privileges surrounding an employee shall also be considered as working conditions. These privileges would include such things as wash-up time, transportation facilities, safety appliances, general safety or health precautions.

4.2 Any modification within the confines of this Agreement shall be subject to agreement by the Company and the Union's executive. Changes to the undernoted subjects, however, can be made with the written agreement of the Chief Steward with the exception as noted in 4.2 (e) and may be cancelled by either party upon the giving of 30 days' notice:

- (a) Changes in working hours between the hours of 7:00 am to 6:00 pm for an individual, work group or crew.
- (b) The extension of acting positions beyond 90 days as outlined in Part B Section 10.0 and Part D Section 8.0.
- (c) Modifications to hours of work (specific) at all locations for banked time arrangements.
- (d) Local extensions to a maximum of three months beyond the normal 15 accumulated months (in which there have been no breaks in employment exceeding five months) on the use of temporary employees to meet short term staffing requirements without invoking regular-seasonal status.
- (e) Arrangements allowing flexibility for employees assigned to temporary work headquarters subject to PWU Sector Vice-President or delegate approval.

4.3 Unless specifically referred to in a Mid-Term Agreement the pertinent provisions of the Collective Agreements shall apply.

(SAMPLE)
**MID-TERM AGREEMENT
TITLE**

Number

Date

It is jointly agreed that the following Mid-Term Agreement shall form part of the Collective Agreement between the parties:

THE COMPANY

UNION

4.4 Employees shall be allowed access to their own personnel file. Employees should submit the written request to their supervisor. Review of the file shall be carried out in the presence of the

supervisor or human resources contact. Additions or deletions to the file shall be made only with the approval of the supervisor and the human resources contact.

ARTICLE 5 UNION SECURITY

- 5.1** All employees covered by this Agreement who are members of the Union on the date hereof shall, as a condition of employment, maintain such membership.
- 5.2** Employees who are not members on the date hereof but who become members of the Union subsequent to said date shall as a condition of employment, maintain their membership thereafter.
- 5.3** New employees shall, as a condition of employment, be or become members of the Union within 15 days of their engagement and shall, as a condition of employment, maintain their membership thereafter.
- 5.4** Membership as a condition of employment as specified in 5.1, 5.2 and 5.3 shall not apply while membership is withheld or suspended, or where a member is expelled by the Union.
- 5.5** In all cases for employees in the Collective Bargaining Unit as defined in Article 1, the Company shall be responsible for the signing of dues authorizations and shall deduct from the weekly wages of each employee, an amount equal to the weekly Union dues in effect at the time and shall transmit the monies so deducted to the Financial Officer of the Union at the times designated by the Union.
- 5.6** A Union representative will be given an opportunity to conduct an orientation session for new probationary/regular employee(s) or temporary employees with greater than 6 months' service within regular working hours at a time and of a duration that is mutually agreeable between the Company and the Union. The purpose is to acquaint the new employee with the benefits and duties of Union membership.
- 5.7** The Company will not oppose any action by the Union to discipline its members as identified in its constitution.

ARTICLE 6 NO DISCRIMINATION

- 6.1** The Company shall not discriminate against an employee because of membership or activity in the Union or the exercise of his/her lawful rights, and any employee covered by the Agreement who

feels that he or she has suffered discrimination shall have the right to seek redress in accordance with Grievance and Arbitration Procedures.

- 6.2** An employee who has a complaint with respect to discrimination in the employment relationship, as envisioned under the Human Rights Code, will have access to the internal Human Rights resolution process if he/she so desires. The employee, if he/she so desires, may have a Union representative present. The complaint, the Human Rights resolution process and the results of same shall not be subject to the grievance/arbitration process.

ARTICLE 7 MANAGERIAL RIGHTS OF THE COMPANY

The Company has and shall retain the exclusive right and power to manage its business and direct its working forces including, but without restricting the generality of the foregoing, the right to hire, suspend, discharge, promote, demote, and discipline any employee. The Company shall exercise the said functions in accordance with the provisions of this Collective Agreement.

ARTICLE 8 JOB CLASSIFICATION AND WAGE RATES

Job classification and wage rates shall be as they appear in wage schedules constituting part of this Agreement. The Company shall discuss with the Union any changes to existing job classifications and wage rates, or the introduction of new job classifications and new wage rates. Where a difference arises between the parties, the Company may introduce the new or amended job classification or wage rates; but either party may require that the difference between them be submitted directly to the arbitration process as detailed in Article 2.7 and the decision shall be binding on both parties.

ARTICLE 9 SPECIFIC MATTERS OF AGREEMENT

- 9.1** These matters are to be dealt with in accordance with Parts 'A', 'B', 'C', 'D' and the Union Clerical-Technical Job Evaluation Manual.
- 9.2** Where a new field of endeavour is undertaken by the Company and the employees concerned fall within the jurisdiction of the Union by virtue of Article 1, the question of whether such employees will be covered by an existing part of the Collective Agreement, an existing part of the Collective Agreement with special provisions or modifications, or a new part of the Collective Agreement will be one for joint agreement.

ARTICLE 10
SELECTION TO VACANCIES

10.1 General

- 10.1.1** No person shall be appointed to a vacancy in the PWU jurisdiction until all qualified PWU represented applicants have been selected. This restriction is limited to situations involving inter-Union jurisdiction and does not apply to non-Union personnel.
- 10.1.2** If an employee is appointed to a vacancy within the PWU jurisdiction from a bargaining unit which restricts seniority in the Company to its own membership, his/her seniority will be limited to service within the PWU bargaining unit.
- 10.1.3** The Company may request a waiver of Posting and/or Selection from PWU when there are medical reasons related to the employee or his/her immediate family, as verified by the Chief Physician/Manager of the Health Services Department. If the waiver request is agreed to by the Union, the employee will be appointed to the position.

Employees appointed to positions, which are filled due to an agreed to waiver of posting and/or selection, will be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.1.4 Appointments/Notification

- 1.** If the candidate selected has already been appointed to another position, but has not yet reported to the new job, he/she shall be given the opportunity of choosing the one he/she prefers unless it is in the Company's interest that he/she accepts the first appointment.
- 2.** On request, the Company will explain, in writing, to any unsuccessful applicant for an advertised vacancy, the reason why he/she was not selected for the position.
- 3.** All regular full time and regular part time positions within or one level above the Union's jurisdiction will be advertised province-wide when they become vacant. Selection to be made or the vacancy cancelled within four months after the posting date of the advertisement. Transfers of successful applicants to be made or rate for the new position paid in accordance with the Promotion Rule as identified in Part A, Section 25.2, 60 days from the date of selection for the position.
- 4.** Vacancies as set out in Article 10.5 shall not be subject to the provisions contained herein 10.1.4.7 to 10.1.4.9 inclusive.

5. One copy of the compiled list of applicants for all advertised vacancies will be forwarded to the Union office.
6. When a final decision has been made, the supervisor of the vacancy will ensure that:

The unsuccessful applicants who were interviewed are notified of the final decision as soon as possible. The name of the successful applicant should be given.

The successful applicant and his/her supervisor is notified.

Notify Human Resources of the name of the successful applicant for publication in the selection notices. This published list will be considered appropriate notification for those applicants who were not interviewed.

7. Similar Vacancies

When a similar vacancy occurs beyond four months following the posting date of the advertisement, it must be re-posted and considered separately.

8. Instructors and Training Technicians

Advertised vacancies for instructors and training technicians may be filled on a temporary basis. The time period shall not exceed 18 months after which the incumbent will revert to his/her regular classification and location. The position(s) will be advertised each time with the provision that an employee will not be selected for two (2) consecutive terms. The employee shall be compensated as per Part 'A' Item 17.1.1 for the position while he/she is retained in it and his/her progression in his/her original classification will not be delayed because of such temporary assignment. The number of positions in a department filled on a temporary basis will not exceed 50% of the positions filled on a regular basis.

10.1.5 The following definitions shall be used to determine an employee's entitlement to be considered for a non-supervisory vacancy:

(A) Seniority

Except as provided in Section 10.1 of this Article:

1. An employee's seniority, for purposes of selection to vacancies, shall be the service credit as defined in Part 'A', Item 5.0.

2. Service with an acquired company will be added to the employee's seniority.
3. The total service credit with the Company will be used for comparing seniority of applicants rather than service in a position, trade, or occupation.

(B) Base Weekly Income

1. The maximum base rate per classification as shown on wage schedules 20, 21, and 31.
2. The maximum base hourly rate per classification as shown on wage schedules 24, 25, 26, 27, 28, 29, 30 and 32 multiplied by 40 hours.

(C) Promotion Application

1. Where the base weekly income (maximum rate) of the advertised position is higher than the base weekly income (maximum rate) of the applicant's present position.
2. Where an employee submits an application to a position of equal rating (same base weekly income) which requires fewer normal weekly hours of work.
3. Where an employee who presently occupies a position regularly requiring or subject to shift work, applies for a position of equal rating (same base weekly income) but not regularly requiring or subject to shift work.

(D) Lateral Application

Where the maximum rate (base weekly income) of the position applied for is equal to the maximum rate of the applicant's present position and the factors identified in 10.1.5 C (2) and 10.1.5 C (3) do not exist.

(E) Demotion Application

Where the maximum rate (base weekly income) of the position applied for is lower than the maximum rate of the applicant's present position.

10.2 Supervisory Positions

1. In considering applicants for supervisory positions, primary consideration should not be given to seniority but to personal qualities such as leadership, reliability, judgment, ability to

organize and instruct and an understanding and a display of the practice of good human relations. For supervisory positions, an endeavour will be made to select the most promising candidate.

2. Only those individuals satisfactorily possessing the above characteristics, as assessed by the Company, should be considered. Where practicable, applicants for supervisory positions should be interviewed by the supervisor responsible for the selection. Seniority will govern only in cases where there does not appear, in the Company's opinion, to be much difference in qualifications.
3. For the purpose of this Article, supervisory positions will include:
 - (a) Union Trades Supervisor – Level 3 and higher positions in the trades
 - (b) Clerical-technical jobs which are credited with degree 3 or higher in the Responsibility for Supervision factor of the Clerical-Technical Job Evaluation Plan.
 - (c) Supervising Meter Reader
4. The provisions of Article 10.2.(3.) above will not affect the status of incumbents for Union representation or the future posting of vacancies as they may occur.
5. Appointments to positions above the jurisdiction of the Union shall not be subject to the Grievance Procedure. However, the Company will give due consideration to representations of the Union where there is evidence of obvious irregularities or discrepancies.
6. Candidates selected to supervisory vacancies which represent a lateral or demotion in accordance with Article 10.1.5 and employed for a minimum of five years in their current work headquarters shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0. Candidates selected to promotions shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.3 Non-Supervisory Positions: Clerical Technical and Controller/Dispatchers

Exceptions: Positions identified in Section 10.2, 10.4 and 10.5 of this Article.

1. The Company will use all available information and determine those applicants who are qualified to fill the vacancy.

One of the requisites is the minimum years of experience as set out in the job specification. Before any consideration is given to seniority the supervisor responsible for making the selection must determine, from the list of applicants, those employees who have the qualifications to do the job satisfactorily.

A recommendation by the supervisor should then be made from the qualified employees, overall seniority being the governing factor.

An employee's experience with another company will be taken into consideration in determining his/her qualifications for a position.

- 10.3.1** Management reserves the right to restrict the application to a vacancy under Article 10.3 when the selection of candidates, for whom it may result in a lateral or demotion, reduces the capability in a given classification below that considered by Management as required for the effective continued operation of the sending department at a location (eg, P&C Staff at Middleport). In such situations, only those senior qualified candidates will be selected from that department at a location which will not adversely affect its effective continued operation; the remaining senior qualified candidates will be selected from other departments at a location on the same basis. Location is defined in Article 11.3.

Employees will receive written notice from his/her supervisor if their selection may be voided because they cannot be released. A copy of this written notice is to be given to the Chief Steward.

10.3.2 Transportation and Moving Expenses

Candidates selected to non-supervisory vacancies which represent a lateral or demotion in accordance with Article 10.1.5 and employed for a minimum of five years in their current work headquarters shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0. Candidates selected to the promotions shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.4 Non-Supervisory Positions: Trades

Selection to Trade Classifications on Wage Schedule 25 (Trade Groups 01 and 02), Wage Schedule 28, Wage Schedule 27 (Trade Group 01, 02, 07), Wage Schedule 24 (Trade Group 01, 10).

1. Senior qualified journeyperson⁴ from a formally established travelling crew with three (3) or more years continuous service on the travelling crew for whom the vacancy represents an equal classification, provided that not more than 20% of the total classification complement from a travelling crew is transferred in a calendar year. In calculating the 20% attrition ratio, a transfer for purposes of this item will be defined as any employee transfer out of such travelling crew to any position within the Company. Moving expenses as defined in Part 'A', Section 23.5 will apply to such transfers.
2. Senior qualified journeyperson applicant for whom the vacancy represents an equal classification.
3. Senior qualified applicant from another classification.
4. The Union will meet with Management twice yearly to participate in the development of selection strategies of the following:
 - (I) Senior qualified journeypersons from the PWU Hiring Hall.
 - (II) Senior qualified employees from the PWU Hiring Hall who have successfully completed the Hydro One Inc. apprenticeship or are currently enrolled in the Hydro One Inc. apprenticeship. This group shall comprise 70% of the selections (rounded to the closest number of employees) under this item provided sufficient applicants are available. Selections beyond 70% require joint agreement.
 - (III) All other regular internal applicants.

Note: When selecting from (I) or (II) above, Section 18 of Appendix "A" shall apply to each group separately.
5. External applicants

⁴ Defined as the qualified journeyperson who has the longest tenure on their current formally established travelling crew. Tenure flows between travelling crews if employees are transferred as a result of Article 11.

10.4.1 Selection will be subject to:

- (A) The employee must be releasable in accordance with the provisions of Article 10.3.1. This does not apply to 10.4.(1.)
- (B) Employees with documented performance deficiencies or job related health limitations as identified by the Health Services Department may not be eligible for lateral considerations.

10.4.2 Transportation and Moving Expenses

Candidates selected to non-supervisory trades positions will not be automatically entitled to the moving and transportation expenses provided in Part 'A', Item 23.0. Reimbursement of any such expenses incurred by the employee, in whole or in part, shall be at Management's discretion.

10.5 Non-Supervisory Positions: Other Positions

The following classifications will be selected on the following basis:

- Trades positions of journeyman rank and lower covered by Part 'B' with the exception of Wage Schedule 25 (Trade Groups 01 and 02), Wage Schedule 28, Wage Schedule 27 (Trade Group 01, 02, 07), and Wage Schedule 24 (Trade Group 01, 10).
 - Controller/Dispatcher Trainees
 - Other jobs below Grade 55 covered by the Clerical-Technical Job Evaluation Plan.
1. Article 10.5 vacancies will be internally advertised province-wide for the same time period as other vacancies. Similar vacancies that occur within four months of the posting date of the advertisement will not require posting.
 2. All employees are eligible to apply and will be given fair and objective consideration prior to hiring of applicants from outside the Company. When making appointments, seniority will not be the governing factor.
 3. The senior qualified journeyman applicant for whom the vacancy represents an equal classification will be selected subject to the following:
 - (I) The employee must be releasable in accordance with the provisions of Article 10.3.1.

- (II) Employees with documented performance deficiencies or job related health limitations as identified by the Health Services Department may not be eligible for lateral considerations.
- (III) When filled by the senior qualified applicant as per the above, the resulting backfill vacancy will be filled in accordance with provisions of paragraph 10.5.(2.)

4. Selection Priority

Selections will be made in the following order:

- (I) Senior qualified journey person applicants for whom the vacancy is an equal classification.
- (II) Applicants selected on the basis of fair and objective consideration.

5. Article 10.5 vacancies are different from other vacancies, hence there shall be no requirement upon the Company to apply the provisions related to posting of vacancies contained in 10.1.4. The successful applicant will be identified in the Selection Notices.

10.5.1 Transportation and Moving Expenses

Candidates selected to vacancies as per Article 10.5 will not be automatically entitled to the moving and transportation expenses provided in Part 'A', Item 23.0. Reimbursement of any such expenses incurred by the employee, in whole or in part, shall be at Management's discretion.

Candidates selected to controller/dispatcher trainee positions who have two years' service shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.6 Transition Provisions

- (a) After March 31, 2002, an employee in a bargaining unit whose collective agreement has a reciprocal clause who is in receipt of a notice of termination/layoff from that bargaining unit or who has been laid off and subject to recall or who has been identified as overcomplement is eligible to apply to posted vacancies and placement opportunities in Hydro One. He/she will be given fair and objective consideration for employment before new hires. A successful applicant will transfer his/her service credit and seniority credits to the new Company. No employee hired pursuant to this Article will be entitled to any relocation or moving expenses under the provision of any Collective Agreement.

- (b) Employees in a bargaining unit who are not covered by Item 10.6 (a) may apply for posted vacancies and placement opportunities in another bargaining unit. The employer in receipt of the application has no obligation to consider the application of such employee(s) from another bargaining unit. A successful applicant will transfer his/her service and seniority credits to the new employer.
- (c) The provisions of Article 10.6 (a), and (b) have no application to any person who was not an employee of Ontario Hydro on August 31, 1998 or whenever the move to successor Collective Agreements is complete.
- (d) Any service credit restoration, as per Part A, Item 5.0, shall include service earned as an Ontario Hydro employee and service earned as an employee of any Ontario Hydro successor company.

ARTICLE 11 SURPLUS STAFF PROCEDURE

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NOTE:

Appendices A & B of Article 11 form part of this Collective Agreement. Any changes to lists, including the addition or deletion of locations, worksites and work centres shall require joint agreement. Such joint agreement will be reached prior to the movement of staff.

11.0 Worksite Redeployment

This provision may be implemented and completed without activating Article 11 in total.

Employees who are over complement and must redeploy will be given the options of available sites along with the option of severance as described in Article 11.14.1 and item 2(a) below.

1. Within a worksite⁵, Management may deploy employees within equal classifications.
2. Where Management has identified an over-complement in a classification at a worksite(s) and an under-complement at another worksite(s) in an equal classification⁶, Management may deploy employees from an over-complement worksite to an under-complement worksite on a senior choice/junior force basis until either the over-complement or under-complement ceases to exist, whichever occurs first.
 - (a) A junior employee who refuses to be transferred will be subject to discipline up to and including termination. All disputes regarding the discipline and termination of an employee who refuses a transfer will be referred to Martin Teplitsky for resolution on an expedited basis. An employee who is terminated for refusing a transfer under the terms of this agreement shall be eligible to receive reduced severance pay pursuant to Article 11.14.1(i) as well as Article 11.14.2 (Benefit Continuance/Tuition/Outplacement Services), if the proposed transfer is to a worksite that is not within a reasonable commuting distance from his/her residence.

Where an employee is terminated for refusing to transfer to a worksite which is within reasonable commuting distance from his/her residence, there is no severance or other provisions payable to such employees.

- (b) Management has the right to determine the classification(s), number of over-complement positions, number of under-complement positions and the worksite(s) that will be dealt with under each operation of this provision.
- (c) Management will provide at least four (4) weeks' notice to employees in the over-complement classification and

5 As defined by Article 11, Appendix B

6 As defined by Article 11

worksite of the intended date of transfer by posting in the over-complement worksite(s) a notice which sets out:

- the affected classifications;
- number of positions to be filled;
- under-complement worksite(s); and
- proposed transfer date.

Subsequent to this four (4) week posting employees designated for transfer will be provided with at least two (2) weeks' notice of their actual transfer date. In determining an employee's transfer date the company will consider the personal circumstances of the employee and the business needs of the company. A copy of this notice will be provided to the PWU Sector 3 Vice President.

- (d) Employees transferring will be entitled to moving expenses and housing assistance as set out in Part A, Item 23 except where as a result of the transfer the employee has a different work headquarters that is within a reasonable commuting distance from his/her residence.
3. Under-complement positions that remain vacant after the operation of 1 and 2(a) will be posted in accordance with the Collective Agreement.
4. If the transfer results in a move to a lower-rated equal classification, wage maintenance as per 11.19 will apply.
5. There will be no permanent transfers under this Article into a worksite/centre which has been identified as a worksite/centre to be closed permanently during the 18 month period following intended transfer date.
6. Medically restricted at work (MRAW) employees who have had a special position created for them cannot be terminated for refusing a transfer under 11.0 (2). In the event that there is a closure of a worksite, the MRAW employee will transfer in accordance with this Article and where necessary be accommodated in accordance with applicable legislation.
7. Performance Limitations: When an individual has a verifiable physical or medical limitation and is not required to be accommodated under the Human Rights legislation and which prevents him/her from performing the essential functions of a job in his/her Occupational Group Listing (OGL) into which he/she may be transferred, and which is voluntarily identified in advance of determining those to be transferred, the Company and the Union will meet to discuss this individual. It is understood that if there is no mutual agreement the Company may proceed to

implement the layoff. Nothing in this Article is intended to require any employee to self-identify or to modify in any way the rights or obligations of the Company, Union or employee under the Human Rights legislation.

8. Employees on pregnancy/parental leave, or assignment outside Ontario or approved leave of absence, vacation, sick leave will be subject to this process and be required to participate as if they were in their regular position. Such employees will assume their new positions upon return and until such time the positions will be filled on a temporary basis if required by the Company.

The company will make reasonable efforts to contact personally employees on such leave but in any event such employees will be provided with written notification that the Company is initiating a worksite redeployment. The Company can only rely on the last address and telephone number provided by the employee.

9. Employees on LTD including those in a LTD funded Rehabilitation and Re-employment Program may not be subject to the provisions of Article 11.0.
10. Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with worksite redeployment, with joint agreement may be given special consideration for worksite protection/preference.
11. Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

11.1 Surplus Staff Procedure – Sequence of Events

Prior to/in place of the implementation of the surplus staff procedure outlined below the Company will offer Cash Out to employees in a location in an over complement classification (or equal classification) to eliminate the over complement situation. Employees who elect to accept the Cash Out offer shall be eligible to receive the provisions of Article 11.8.1.

In the event that the number of employees to be issued initial notice of termination/layoff is 40 or less, the process outlined below shall be modified such that only those employees impacted as a result of the layoff or displacement process shall participate. The company will provide the PWU a listing of those employees who will receive initial notice of layoff/termination and those employees potentially impacted by the displacement process two weeks in advance.

Layoffs/Termination(s) of regular employees, as a result of the operation of Article 11.1 will be implemented a maximum of once each calendar year.

1. The Company will notify the PWU and the Job Evaluation Department of the intention to run Article 11 approximately two weeks in advance. Job challenges and Management job reviews will be frozen from the date of this notification until the announcement date of the results of Article 11.
2. All regular employees will have a completed option election form retained on their personnel file (901). Approximately one week prior to notice date, all regular full-time and regular part-time employees shall be provided with a personal information package.
3. The Company will give initial notice of termination/layoff in accordance with Article 11.5.
4. The Company will confirm to employees all information received on revised Option Election Forms.
5. Requests to correct employee base data (in item #2 above) are received by the PWU from the employee and forwarded to the Company.
6. Employees who received initial notice of termination/layoff and employees who are in an equal classification at the location shall receive priority consideration to posted vacancies which represent a lateral or demotion, commencing 8 (eight) days after initial notice has been provided.
7. After all data is collected and the Company is in a position to apply Article 11, there will be a “freeze” period during which vacancies will be held open. This period shall be for a minimum of three weeks before employee displacement rights are determined and announced by the Company. These vacancies may be filled on a temporary basis during this freeze period pending the determination and announcement of the results of the application of Article 11.
8. Employee displacement rights will be determined and those employees who will be displaced, laid off and/or terminated shall be identified. All displacements and the names of employees to be laid off or terminated will be identified “on paper” at the outset prior to implementation of any changes resulting from the announced reduction of complement.
9. The names of the employees who will be displaced, laid off and terminated shall be announced.
10. After the Company announces the results of the application of Article 11, employees displacing into another location will be identified and worksite/centre preference will be determined by seniority on a senior choice/junior force basis.

11. The “freeze” on filling vacancies ends at the time of the announcement. During the period after the announcement and prior to the date of termination set out in the initial notice of termination/layoff, the Company, pursuant to Article 10, will post vacancies which remain unfilled after the displacement process and new vacancies as they arise. Employees faced with layoff shall be given priority consideration to such vacancies which represent a lateral or demotion over other applicants. If vacancies remain unfilled after the Article 10 process, during the period prior to the layoff fair and objective consideration for such vacancies will be given to applications from employees to be laid off.
12. The implementation of displacements, layoffs and terminations pursuant to the Article 11 process will commence on the date of termination/layoff identified in the initial notices unless extended by the Company in accordance with the *Employment Standards Act* and regulations and subject to any “reversals” which may have occurred as a result of employee terminations.

11.2 Application

- (a) This procedure applies only to the bargaining unit in this Collective Agreement.
- (b) This procedure applies to regular full-time and regular part-time employees. The displacement and recall rights of probationary employees and regular-seasonal employees are limited to those contained in 11.12.
- (c) The Company will supply the PWU Bargaining Resource Department with an accurate computerized seniority list (see note below) separated by Occupational Group Listings (OGL’s) and sorted by province and locations on February 1st and August 1st and at the time the Company gives initial notice of termination/layoff under this Article.

The Company will also post a seniority list in each worksite on February 1 and August 1. The seniority list will be a single list of employees, which will include the following information (subject to revision after consultation with the Company and the PWU):

- Name/employee number
- ECD
- Base OGL
- Level
- OCC code
- Title
- Building code

- Geographic location
- Status
- Business

In the absence of a challenge in writing by the Union within thirty (30) calendar days of posting, the seniority list will be deemed to be accurate and the Union will not subsequently be able to challenge the accuracy of the list. In the event of a challenge, the parties will try to resolve any differences. If there is no agreement, either party may refer the challenge to Arbitrator Teplitsky under the expedited dispute resolution process for deciding OGL disputes.

NOTE

The computerized seniority list provided to the PWU will contain the following data:

Last Name, Initials, ECD, Occupational Code, Job Title, Schedule, Base Occupational Group Number, Grade, Location, Building Code, Payroll Number, Business Unit, Division, Department, Hours of Work, Date of Notice of Termination/Layoff, Date of Expiry of Recall, End Rate of Classification.

- (d) Approximately one week prior to notice date, all regular full-time and regular part-time employees shall be provided with a personal information package containing the following:

- Name
- Employee Number
- Established Commencement Date (ECD)
- Base Building Code
- Geographic Location
- Occupation Code
- Job Title
- OGL number and level
- Current Option/Election form choices
- Blank Option/Election form
- Listing of locations (Appendix A)
- Copy of Hydro One Inc. maps

In the absence of a written challenge by the union prior to freeze date, the employee data will be deemed to be accurate and the union will not subsequently be able to challenge the accuracy of the information.

- (e) Medically Restricted at Work (MRAW) employees who have had a special position created for them cannot be displaced.

In the event that there is a closure of a worksite or the special position is redundant, the MRAW employee will displace in accordance with this Article and where necessary be accommodated in accordance with applicable legislation. For purposes of Article 11 the MRAW employee will be deemed to be in the classification held immediately prior to being placed in the special position.

- (f) Performance Limitations: When an individual has a verifiable physical or medical limitation and is not required to be accommodated under the Human Rights legislation and which prevents him/her from performing the essential functions of a job in his/her Occupational Group Listing (OGL) into which he/she may be displaced, and which is voluntarily identified in advance of determination of displacement rights following notice of layoff, the Company and the Union will meet to discuss this individual. It is understood that if there is no mutual agreement the Company may proceed to implement the layoff. Nothing in this Article is intended to require any employee to self-identify or to modify in any way the rights or obligations of the Company, Union or employee under the Human Rights legislation.
- (g) Employees on pregnancy/parental leave, or assignment outside Ontario or approved leaves of absence, vacation, sick leave will be subject to this process and be required to participate as if they were in their regular position. Such employees will assume their new positions upon return and until such time the positions will be filled on a temporary basis if required by the Company.

The Company will make reasonable efforts to contact personally employees on such leave but in any event such employees will be provided with written notification that the Company has initiated lay-off procedures and that their employment status may be affected. The Company can rely on the last address and telephone number provided by the employee.

- (h) Employees on LTD including those in a LTD funded Rehabilitation and Re-Employment Program may not displace nor are they subject to displacement.
- (i) Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with displacement or layoff, with joint agreement may be given special consideration for worksite protection/preference.

- (j) Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

11.3 Definitions

- 1. “Base weekly rate” and “base hourly rate” include pay equity adjustments.
- 2. “Classification” shall mean an employee’s trade or job title.
- 3. “Equal Classification” or “Equal” is a classification in an employee’s OGL where the base weekly rate or base hourly rate is the same except that:

- (a) Some hourly rated trades have been identified as equals where most of the job duties are the same but the wage rate is different.
- (b) For pay equity adjusted rates, equal will be deemed to be those jobs whose terminal rates meet or exceed the Step 3 rates listed on Salary Schedule 20.

Example 1: Grade 55 + PEA, equivalent to Grade 57, Step 2 = Grade 56 and can displace Grade 56 jobs under Article 11 (Grade 56 (no PEA) can also displace this Grade 55 job).

Example 2: Grade 55 + PEA, equivalent to Grade 58 Step 2 = Grade 57 and can displace Grade 57 jobs under Article 11 (Grade 57 or 56 (no PEA) can also displace this Grade 55 job).

- 4. Lower: Lower Classification or Lower is a classification in an employee’s OGL where the base weekly rate or base hourly rate is lower.

For pay equity adjusted rates, lower will be deemed to be those jobs whose terminal rates are lower than the Step 3 rates listed on Salary Schedule 20.

Example 1: Grade 56 (no PEA) is lower than a Grade 55 + PEA equivalent to Grade 57 Step 3.

- 5. “Worksite” is a place of operations as identified by building code(s) and identified in Appendix A. An employee’s worksite will be their regular work headquarters as defined in Part A, Item 18.2.

6. "Work Centre" as identified in Appendix A.
7. "Location" means a geographic area which includes worksite(s) and/or work centres. Locations are identified in Appendix A.
8. "Occupational Group List (OGL)" means a jointly agreed to list of Equal and Lower classifications into which an employee can exercise displacement rights. OGLs are equals and lowers within the appropriate job family which an employee can satisfactorily perform within a reasonable period of familiarization and orientation.
9. "Surplus Employee" is an employee who has been given notice of termination/layoff by the Company or an employee who may be displaced or who is displaced from his/her position.
10. (a) "Seniority" means the service credit as defined in Part A Section 5.0, except for the restrictions contained in Article 10.1.2.
(b) Where employees have the same seniority the employee with the highest employee number is deemed to be the more senior employee.

For purposes of determining displacements, layoffs and terminations, seniority will be calculated as of the date of the initial notice of termination/layoff. For all other purposes including subsequent layoffs, seniority will continue to accrue.

11. "Job Family" is a collection of jobs or job classifications involved in the same general nature of work.

It is recognized that some jobs straddle two (2) job families, e.g., technical-clerical. For these exceptions, jobs from both families may be included in the OGL.

The family for those jobs which do not neatly fall into one of the below will be jointly determined as required.

There are four families as listed below:

Clerical: Involving gathering, analysing, processing, recording, disseminating information or data, and/or the operation of miscellaneous office machines or equipment.

Technical: Involving the choice, application and/or manipulation of formulae, principles, techniques or natural laws in practical, mechanical or industrial arts or applied sciences.

Drafting: Involving the drawing up or preparation of plans, drawings, bills of materials, etc.

Trades/Controller/Dispatcher:

Involving skilled labour in areas such as electrician, mechanic, Regional Maintainer, labourer, controllers/dispatchers, etc.

12. "Former Classification" is defined as the position/ classification (previous occupation code) last occupied by the employee within five years of the Notice of Termination/Layoff excluding relief, acting and temporary assignments. If the previous occupation code has been obsoleted and replaced by a new code, the new code and the old code will be deemed to be one and the same code for the purposes of determining former classification.

11.4 Occupational Group Listings (OGLs)

1. For a job to be included in an OGL, it must be a job which can be satisfactorily performed by the average employee in the surplus classification within a reasonable period of familiarization and orientation. This period will vary depending on the complexity of the job.
2. All existing jobs are placed in OGLs. OGLs shall be part of this agreement but shall be published in a separate publication.
3. New OGLs shall be jointly developed for new jobs or for existing jobs which have materially changed or for jobs which have the wage rate adjusted. If the parties cannot agree on an OGL, the dispute will be referred to Arbitrator Teplitsky for resolution in accordance with Article 11.4.2.

11.4.1 Failure to Demonstrate Qualifications

Once an employee displaces into a position in an OGL, the employee must be able to demonstrate an acceptable level of performance within a reasonable period of familiarization and orientation. Failure to achieve an acceptable level of performance in this time will result in layoff with severance as per 11.14 and recall rights to their pre-displacement classification.

11.4.2 Expedited Grievance and Arbitration Process for Job Classification Grievances and OGL Dispute Resolution

If the parties cannot agree on an OGL the disputes will be referred to Arbitrator Teplitsky for resolution as per Article 2.7 Dispute Resolution – Article 8, Plan B and OGL Process.

1. In the event of any lay-off, it is the parties' intention that best efforts will be used to resolve outstanding disputes before the

beginning of the “freeze” period which precedes the announcement of displacement rights and the expedited procedure established herein will be used for this purpose. Where possible, priority shall be given to those disputes which could have an influence on classifications which may be affected by the proposed layoff. However, any unresolved disputes will not stop the Company from implementing any terminations/layoffs.

11.5 Notice of Termination/Layoff

1. The Company will give initial notice of termination/layoff to the most junior employees in a classification in a worksite. Employees who receive initial notice of termination/layoff shall also receive cash-out information, selection priority information, and personal OGL information. Notices listing those employees receiving initial notice of termination will be posted at all Company worksites/centres. Pursuant to the terms of this Article, employees receiving such notice will be permitted to take another position in the Company as a result of which some other person either loses his/her position and is permitted to take another position or loses his/her employment. Such notice shall be deemed to be notice of termination to all affected employees including to those employees who may be displaced and to those employees whose employment is terminated or who are laid off.
2. Employees receiving initial notice of termination/layoff will be provided with two (2) months’ notice of termination/layoff. An employee who has been given notice of termination/layoff may be given temporary work following the date of termination in accordance with the *Employment Standards Act* and regulations.
3. When an employee is given notice of termination/layoff the Company will notify the Union office and Chief Stewards within three working days from the date the employee is notified. The Union will be responsible for keeping the Company advised of the names of all Chief Stewards.

11.6 Employee Elections

1. All employees will be required to supply the Company, by a date determined by the Company, with information necessary to enable the Company to make decisions relating to employee displacements in Locations, and the Province. This information will be provided by employees on the Option/Election Form and a Location Preference Ranking Form, both of which are computer readable. The employees will rank all locations outside of their own in order of preference on the Location Preference Ranking form.
2. The information provided by the employee on the forms will amount to a decision by each employee, unless amended as set out

in 11.6(4). The Company will be entitled to rely on this information for purposes of applying the provisions of Article 11.

3. In addition to providing other information requested on the Forms provided, employees shall elect to be placed into positions in their OGLs in one of two streams, either the Equal Stream or the Lower Stream. The employee may also elect to displace outside his/her OGL pursuant to 11.11.1(2) by supplying the required information.
4. Each employee will ensure the Company has an updated option election form, to be maintained in his/her personnel file. When the Company initiates a layoff of employees under this Article, employees will have the opportunity to amend the option election form. Revisions to the option election form must be received prior to freeze date. The employee will be provided with a written confirmation of the information provided (refer to Article 11.1). If there is no request to amend by the employee by freeze date, the information contained in the confirmation shall be deemed accurate for all purposes.

11.7 Failure to Complete the Form

Any employee failing to supply the information requested on the forms, who receives initial notice of termination/layoff or is displaced, will be deemed to have chosen a lower classification in his/her Location and will not be entitled to displace into an equal or lower classification in the Province regardless of seniority. If there is no position in a lower classification in the Location into which he/she can displace, the employee will be laid off with recall or severance rights as per 11.14.

11.8 Cash Out During the Notice Period

1. Where a reduction in complement is to take place in a classification in a Location, all employees in that classification (or in an equal classification) in that Location may notify the Company of their desire to resign from the Company during the notice period. Upon request by an employee, the Company will provide relevant pension and benefit information to enable him/her to make an informed decision prior to being required to give notice of his/her intention to cash out during the notice period. Written notification by the employee of his/her desire to resign must be given within 7 days of receipt of the notice of termination/layoff. From the total number of eligible employees who indicate that they wish to resign, the Company will accept on a seniority basis a number from the classification (or an equal classification) equal to the number of surplus employees in the classification in that Location. Those employees accepted must resign and will receive:

- (i) severance pay as per Article 11.14; and,

- (ii) base pay from the employee's date of resignation to the end of the two (2) month notice period provided in the notice of termination/layoff, plus a lump sum payment (in lieu of notice) equal to three (3) months base pay (total = 21 weeks). (For employees who resign within the seven (7) day period and whose resignation is accepted, the payment will be five (5) months pay.)

The maximum number of weeks payable (i + ii) shall be 104.

2. Where the number of eligible employees who have resigned in the 7 day period is less than the number of surplus employees in a classification in the Location, additional resignations will be accepted on a first come basis from employees in that classification (or in an equal classification) until the freeze period commences or until the resignations from eligible employees equal the number of surplus employees in the classification in the Location. The resignation by the employee must be in writing in order to be accepted by the Company.
3. Employees who resign with cash out may not be from the worksite/centres or the actual classification with the surplus and a temporary deployment of employees to other worksite/centres within the location may be required to balance the complement.

To achieve this balance between worksite/centres the most senior employee who is prepared to accept the transfer and who is in the classification or an equal classification in which there is an overcomplement, and is at the worksite/centre from which an employee is to be transferred will be selected to the position. In the absence of senior volunteers, the most junior employee in the classification or an equal classification will be transferred to the position.

11.9 General

1. All employees work at a worksite or work centre in a Location.
2. Each employee shall have the responsibility to notify the Company of his/her current address and telephone number and any subsequent change. The Company shall be entitled to rely on the last address and telephone number furnished by the employee for all purposes.
3. Grievances under this agreement or a predecessor agreement which have not been resolved before the commencement of the freeze period do not affect the Company's right to layoff pursuant to Article 11.
4. At least two weeks before the determination of employee rights and the announcement of the results of the application of Article

11, a freeze period shall be implemented wherein all vacancies shall be held and filled temporarily where necessary. This freeze on filling vacancies shall end when the results of the application of Article 11 are announced.

11.10 Senior Choice/Junior Force (Province Displacement)

The principle of “senior choice/junior force” is designed to allow senior employees to have Location preference where it is available. Employees who can be displaced in a Location, in the Province are always the most junior employees in the classification into which the more senior employee can displace.

Therefore, the Locations in which the most junior employees in a classification are employed are the Locations which are available to more senior employees who may wish to exercise displacement rights out of one Location and into another in the Province. Where there are junior employees in Locations who may be displaced, senior employees will be given Location preference to the extent possible. However, the Company will assign an employee to an available position to a location in the Province where the employee’s preference is not accommodated (i.e., he/she can be forced to accept a particular Location).

11.11 Displacements

- (a) Subject only to the provisions of paragraph 11.11.1 (2), an employee can only displace another employee of less seniority in classifications within his/her occupational group list.

Regular-Seasonal and Temporary positions and Agency employees are also displacement opportunities for regular employees in the absence of any regular positions.

- (b) A regular full time employee may elect, in advance on the Option/Election Form, to decline all available regular part time positions. A regular part time employee may elect in advance, on the Option/Election Form to decline all available full time regular positions. The employee must indicate his/her choice on the election option form failing which the employee will be deemed to have chosen to displace into both regular full time or regular part time positions.

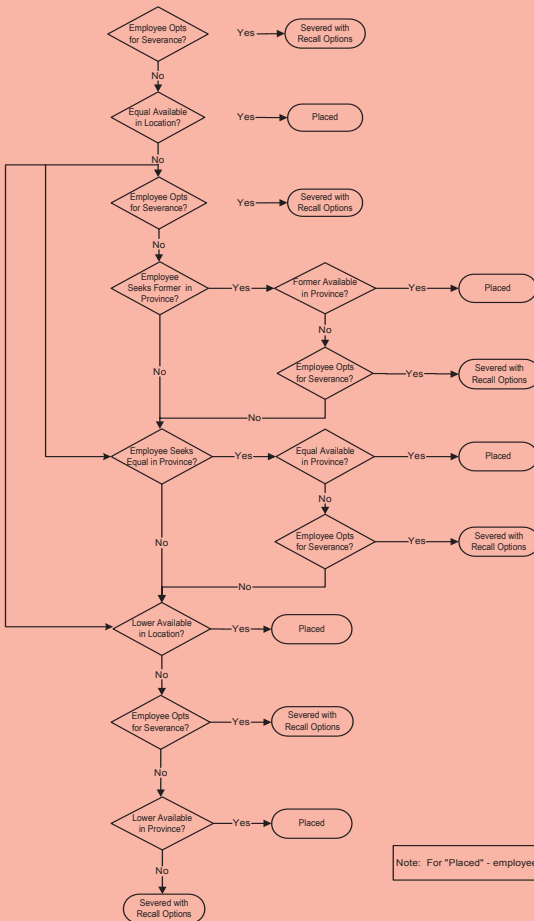
Each employee must indicate his/her status (i.e., regular full-time or regular part-time) on the Option/Election Form. The employee’s designation must be accurate. The employer will confirm the designation.

- (c) When an occupational group has more than one classification at the same level, the least senior employee shall be the most junior among all of the classifications at that level.

- (d) A vacancy within an employee's OGL is deemed to be the junior equal (see process in 11.11.1 below) or lower, (see process in 11.11.2 below) in all applications of the displacement process.
- (e) Displacements shall be on a senior choice, junior force basis.
- (f) Apprentices or Trainees are granted displacement rights into the classifications listed in the OGL of his/her terminal rated classification. An Apprentice or Trainee can displace a junior employee within his/her OGL including a Journeyperson. If an Apprentice or Trainee displaces a Journeyperson in an equal classification, the apprentice or Trainee will continue in the apprenticeship program and will be paid as per their progression schedule.
- (g) Seniority rights outside the Location are only exercisable in the Province by employees with seniority of two (2) years or more.

Article 11 Displacement Flowchart

(This chart shall be read in conjunction with the text of the Collective Agreement)



Note: For "Placed" - employee must take if available.

11.11.1 Equal Stream

1. At the location an employee must displace the least senior employee in an equal classification. Refusal to accept results in termination of employment. If no position is available, then;
2. Where an employee has so elected on the Option/Election Form, he/she must displace the most junior employee with less seniority in the Province in the employee's former classification provided the employee was in the classification within five years of the date the notice of termination/layoff was issued pursuant to 11.5. Failure to accept results in termination of employment. If no position is available, then;
3. The employee will move to the "Lower Stream", or, if eligible, the surplus employee who has elected to displace in an equal classification in the Province must displace the most junior employee with less seniority in the Province. Refusal to accept results in termination of employment. If no position is available, then;
4. The employee will move to the "Lower Stream".

11.11.2 Lower Stream

1. An employee who has elected to displace in the Lower Stream must displace the least senior employee in an equal classification in the Location. Refusal to accept results in termination of employment. If no position is available, then;
2. An employee who has elected to displace into a lower classification and an employee not placed in the Equal Stream must displace the most junior employee with less seniority in next lower classification in his/her Location. If no position is available, then the employee will go to lower classifications in descending order in his/her Location until placed. Refusal to accept results in termination of employment. If no position is available, then;
3. An employee who has elected to displace into a lower classification must displace the most junior employee with less seniority in next lower classification in the Province. If no position available then the employee will go to lower classifications in the Province in descending order until placed. Refusal to accept results in termination of employment. If no position is available, then;
4. The employee is laid-off with recall rights.

11.11.3 Senior Choice/Junior Force (Within Location)

After the Company announces the results of the application of Article 11, employees displacing into another location will be identified and worksite/

centre preference will be determined by seniority on a senior choice/junior force basis.

Employees displacing into a location will be given worksite/centre preference within the location to the extent possible on a seniority basis. Where there is more than one (1) employee displacing into a classification in a location, the principle of senior choice junior force will be applied to displace the most junior employees in the classification in the worksites/centres. In the absence of senior volunteers, the most junior employee in the classification will be transferred to the position.

11.12 Displacement and Recall Rights

The following sets out in full, the displacement, recall and severance rights, if any, for Probationary and Regular-Seasonal.

11.12.1 Probationary Employees

1. A probationary employee will displace the junior employee of lesser seniority in the next lower classifications in their OGL in descending order within his/her worksite/centre.
2. If 1. is not available, a probationary employee can displace a temporary employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.
3. If 2. is not available, a probationary employee can displace an agency employee in an equal or lower classification in his/her occupational group within his/her line of business in head office or within his/her worksite/centre outside of head office.
4. If 3. is not possible, employment is terminated.
5. Probationary employees shall not be entitled to recall rights or severance pay.

11.12.2 Regular Seasonal

1. A Regular Seasonal employee can displace a temporary employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.
2. If 1. above is not available, a regular seasonal employee can displace an agency employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.
3. If 2. above is not available, employment is terminated.
4. Regular seasonal employees shall be entitled to recall to temporary positions for a period of three years from the date of last termination.

5. A regular seasonal employee shall be entitled to recall to their Location, provided they have at least 24 months accumulated service.
6. To be recalled the employee must have filed a written request with the Company prior to March 1 of each year.
7. A person who is recalled by the Company shall be personally contacted when possible. Failing this contact a recall notice shall be forwarded by registered mail addressed to the last known address that he/she has recorded with his/her human resources manager. They shall be obliged to advise his/her supervisor of his/her intention to return to work within three working days and shall be available for work within five working days after receipt of recall notice.
 - (a) Except in case of sickness, failure to be available for work within five days of issuance of the recall notice shall make him/her ineligible for any further recall.
 - (b) It shall be the person's sole responsibility to inform the Union and the personnel manager in writing of any change of address. The Union will be notified in writing when persons are recalled to vacancies.
8. The Company shall notify the employee in writing at time of termination of the recall procedure. If the employee is not considered suitable for recall they shall be notified in writing and a copy of this letter shall be given to the employee's Chief Steward. Upon request the Company will provide the employee with the reasons why they are not considered suitable for recall.
9. The Company may hire a temporary employee for a period not exceeding one month without using this recall procedure.
10. Summer students both secondary and post secondary levels have no rights to this recall procedure.
11. A Recall List from each work Location for regular-seasonal employees shall be provided to the Chief Steward concerned.
12. Regular seasonal employees shall not be entitled to severance pay except in the case of permanent layoff. When permanently laid off severance pay will be calculated on actual time worked.

11.13 Permanent Location Closings

There will be no permanent displacements or moves into a worksite/centre which has been identified as a worksite/centre to be closed permanently during the 18 month period following notice of layoff/termination.

11.14 Severance Pay

Except as set out in 11.14.1, employees eligible for severance under Article 11 will receive the following:

- (a) An employee receiving severance pay waives any other rights under Article 11.
- (b) An employee may direct all or a portion of his/her payment into an RRSP up to the amount permitted by law. The employee shall provide the Company with the TD2 Form directing the payment into his/her RRSP.
- (c) An employee entitled to severance pay under 11.14 may elect to take a lump sum severance payment, or severance may be divided into two (2) equal instalments, the first on the date of termination and the second on or about January 15 of the following year, subject to statutory deductions, as follows:
 - (i) 4 weeks' base pay per year of service up to a maximum of 104 weeks' base pay (payments for incomplete years of service will be pro-rated).
- (d) For purposes of clarification at any time during the three (3) year recall period, a laid off employee may opt for his/her full severance entitlement, once this election is made all recall rights will cease.
- (e) For regular part-time employees severance payments shall be pro-rated.

11.14.1 Reduced Severance Pay on Refusing a Position

- 1. An employee who refuses to accept a position under Article 11.11.1 or 11.11.2 (except in 2. below) will be terminated and is disqualified from receiving severance pay under Article 11.14 and shall have no recall rights under Article 11.17. Such employees may elect to take a lump sum severance payment, or severance may be divided into two (2) equal instalments, the first on the date of termination and the second on or about January 15 of the following year, subject to statutory deductions as follows:
 - (i) two weeks' base pay per year of service up to a maximum of 52 weeks' base pay (payments for incomplete years of service will be pro-rated).
- 2. In cases where an employee refuses to accept a position where the new classification provides either a reduction of base wages of two (2) or more salary grades for job evaluated positions or in excess of 10% for others, the employee will receive severance pay pursuant to 11.14.

3. An employee may direct all or a portion of his/her payment into an RRSP up to the amount permitted by law. The employee shall provide the Company with the TD2 Form directing the payment into his/her RRSP.
4. For regular part time employees severance payments shall be prorated.

11.14.2 Benefit Continuance/Tuition/Outplacement Services

A surplus employee who takes severance pay and terminates his/her employment is entitled to:

- i) coverage under the Company's Health and Dental Plan for a period of six (6) months from the date of termination of employment or until the commencement of alternate employment whichever occurs first;
- ii) reimbursement for tuition fees and other associated expenses up to a maximum of \$5000.00 upon production of receipts from an approved educational program within 12 months of his/her termination;
- iii) outplacement services; the Company will determine the level of service and the service provider.

11.15 Failure to Report to Assigned Positions

In the event that an employee declines an assigned position and is terminated, or does not displace into a job occupied by another employee, or terminates after displacing another employee, the Company may reverse the displacement and leave the employee who would have been displaced in his/her job or return the displaced employee to his/her job. In all instances as described above the terminating employee will be entitled to severance pay in accordance with the appropriate sections of this Article.

Any vacancy which results from such a reversal will be filled by moving the previous incumbent back to his/her job. In other words, the chain of bumps (i.e., the displacement thread) caused by the initial reversal will be reversed except in circumstances set out below.

Where an employee has relied to his/her detriment on the announced relocation, and would be prejudiced by revocation of the displacement, the employee will not revert to his/her original position. Where the Company would be prejudiced, the employee will not revert to his/her original position even if the employee does not object.

The declining of an assignment will not require the Company to re-do the Article 11 process.

11.16 Selection to Vacancies

Between the end of the 7 day cash out window and freeze date and after the end of the freeze period all positions which remain unfilled and any new vacancies which arise shall be posted under Article 10. During the period after the end of the 7 day cash out window and before freeze date and after freeze date but before announcement of results, priority consideration for vacancies which represent a lateral or demotion will be given to surplus employees and to those employees who are in an equal classification (to the over-complement employee) in the location. After announcement of results and before layoff occurs applications from employees who are to be laid off shall be given fair and objective consideration for vacancies. Employees who, prior to being laid off, applied for vacancies continue to be entitled to fair and objective consideration for those vacancies after lay-off. If selected to a vacancy posted prior to the date of layoff, the employee is eligible for moving expenses under Article 11. Among successful applicants seniority shall govern selection where all other factors are relatively equal.

11.16.1 Jurisdiction

No person outside the Union's jurisdiction will be selected to a vacancy commencing with the issuance of the notice of termination/layoff pursuant to 11.5 until:

- (i) All qualified PWU members are selected, including persons on the recall list, and,
- (ii) All PWU applicants entitled to fair and objective consideration are selected pursuant to 11.16.

11.16.2 Selection Priority

The following applies for equal and lower-rated vacancies.

Each category will be considered independently and in the order indicated:

- (i) Surplus employees and those employees in an equal classification to the surplus employee at the location where the surplus exists.
- (ii) As per Article 10.

11.17 Recall

1. Laid off employees who do not receive severance payments shall have recall rights.
2. Employees who are laid off will be entitled to recall to classifications in their OGL for a period of three (3) years from the date of his/her layoff. Recall lists will be maintained province wide.

If a person is recalled within one year of the date he/she was laid off, entitlement to vacation credit, seniority, and sick leave credits shall be the same entitlement as on the day of termination less any vacation allowance received at termination.

If a person is recalled during the second or third year after layoff, he/she shall be treated as a new employee for all purposes. Service credit will be restored in accordance with Part A, Item 5.3.

Reinstatement in the pension plan shall be in accordance with the pension regulations.

3. A person who is recalled shall be personally contacted by the Company where possible. Failing this contact, a recall notice shall be forwarded by registered mail addressed to the last known address that he/she has recorded with his/her Human Resources Manager. They shall be obliged to advise his/her supervisor of the intention to return to work within five (5) working days and shall be available for work within ten (10) working days after receipt of the recall notice.

NOTE

- (i) It shall be the employee's sole responsibility to inform the Union and the Human Resources Manager in writing of any change of address. The Union will be notified in writing when employees are recalled to vacancies.
 - (ii) Except in the case of sickness, failure to be available for work within ten (10) days after the receipt of recall notice shall make him/her ineligible for any further recall.
4. Except as noted later in this paragraph, if an employee refuses recall to a regular full time equal position or lower position at the location level he/she will be removed from the recall list and be entitled to reduced severance pay in accordance with 11.14.1. In cases where an employee refuses to accept recall to a position where the new classification provides either a reduction of base wages of two (2) or more salary grades for job evaluated positions or in excess of 10% for others, the employee will remain on the recall list. Refusal to accept recall to any position outside the Location will not result in loss of recall rights.
 5. At any time during the three (3) year recall period, a laid off employee may opt for his/her full severance pay entitlement. Once this election is made all recall rights will cease.
 6. If at the end of the three (3) year recall period an employee has not been recalled or has not elected to receive severance pay, he/she will automatically receive the full severance pay entitlement.

7. An employee who is laid off and does not elect to accept severance payment shall be entitled to receive:
 - i) coverage under the Company's Health and Dental Plan for a period of six (6) months from the date of commencement of layoff or until the commencement of alternate employment whichever occurs first; and
 - ii) reimbursement for tuition fees and other associated expenses up to a maximum of \$5000.00 upon production of receipts from an approved educational programme within 12 months of his/her layoff; and
 - iii) outplacement services; the Company will determine the level of service and the service provider.
8. Persons on the recall list will be recalled for vacancies contained in their OGL's which are posted as per Article 10 and 11.16 prior to the selection of candidates to whom they are senior.
9. People on recall will have the first priority on a seniority basis for temporary positions in their OGL arising at their location which were not filled by any displacements. Where such a temporary position also represents a recall opportunity for a regular seasonal, the position will be offered on seniority.

11.18 Limitations to Turnover

- (a) A maximum of 51 percent (51%) of employees in a classification in a worksite/centre may be displaced during one single application of Article 11. Where there is only one employee in the classification in the site/centre he/she may be displaced.

Subject to operating exigencies for the purposes of this item, all classifications of controller/dispatcher/trainees at a worksite/ workcentre will be deemed to be in equal classification.

- (b) The limitation to turnover (51%) will apply to all personnel within a classification within a worksite/centre regardless of assignment to day work or shift work.
- (c) Where employees displace to vacant positions such vacancies will not be counted as part of the percentages applied to limitation to turnover.

11.19 Wage Maintenance

When an employee displaces another employee and is reclassified to a lower-rated position, or when an employee is selected to a lower rated vacancy

pursuant to 11.16 they will receive wage maintenance. His/her wage rate will be adjusted downward in accordance with the following:

- (i) Employees with two or more years' service will have their rate frozen for a period of three months at which time a two percent (2%) reduction in rate will take place. Subsequent reductions of two percent will take place annually thereafter until the maximum rate for the lower rated job is reached.
- (ii) Employees with less than two years' service will have their rate frozen for a period of three months, after which time their rate will be adjusted to the maximum rate for the new job.

11.20 Moving Expenses

Notwithstanding Part A, Item 23 the Company will not be required to pay the moving expenses of an employee householder who displaces another employee or is selected to a vacancy and as a result has a different regular work headquarters which is within reasonable commuting distance from his/her residence. Where an employee is entitled to receive moving expenses, the amount of expenses will be in accordance with Part A, Item 23. Such moves will be treated as Company-initiated moves.

Except as is provided for in 11.16, the Company will not be required to pay moving costs of an employee who is recalled from layoff.

ARTICLE 12 PURCHASED SERVICES AGREEMENT

12.0 Scope

This Article has been developed jointly in a spirit of co-operation and trust. It is intended to provide a joint approach to making good business decisions which involve the use of purchased services. Its application calls for these decisions to be made in the same spirit of co-operation and trust.

What follows is based upon the belief that there is a value and benefit to the employee, the co-operation and the customer if:

- There is a greater involvement by employees in the decision-making process.
- There is an improved understanding as to why purchased services are used.
- Employment security is enhanced by a productive, healthy, and cost effective organization.
- Union and Management work together and act responsibly, balancing the interests of the customer, the Company and the employee in decisions relating to the use of purchased services.

This is a way of deciding how work gets done. It is not intended to hinder getting work done.

12.1 Assignment Of Work

12.1.1 Philosophy

It is the Company's intent to use regular staff to perform most of its work of a continuing nature. Furthermore, the Company will strive to provide regular staff with stability of employment.

The parties agree that a consistent, managed and joint approach to the assignment of work within the Company is necessary to provide security for employees, a more effective, productive organization and an excellent product for the customer.

12.1.2 Principles

The following principles apply to the relationship between the Company and the Union and the work performed by Union members.

- (a) We will within the Company have all work conducted as effectively as possible.
- (b) We will measure the effectiveness of all work by its impact on staff, on the business and by its ultimate impact on our customers.
- (c) We will do most work of a continuing nature with Company employees.
- (d) We will determine when work is to be done by non-PWU members through a joint decision making process and the results of these decisions will be a joint responsibility.
- (e) We will ensure that the impact of these decisions on continuous employment is minimized.
- (f) We will use a team and consensus approach when making decisions and any issues arising will be resolved internally where possible.
- (g) We will consult and make timely decisions consistent with the need to get work done.
- (h) We will develop, implement and continue a joint process of communications and education.
- (i) We will achieve consistency through the use of these principles versus policy and procedure.

12.2 Decision Process (See Mid-Term Agreement MT-50-2 also)

12.2.1 Responsibility for Decisions

The persons who are responsible for applying the decision process are the Company representative with the appropriate decision authority and the Union representative designated by the Sector Vice President. It is recognized that a given decision may require the involvement of more than these two persons.

Subject to 12.2.6 and 12.3.2(c) below, decisions to use purchased services will be made on a consensus basis. Both parties must consider all relevant criteria with the mutual goal of selecting the most effective option.

The decision makers are responsible for making timely decisions and for the decision itself.

12.2.2 Opportunity

The parties recognize that work may be done more effectively internally or externally. Opportunities for the application of this Article to new or existing work can be initiated by Management and/or the Union. It is intended that joint discussion should commence as soon as possible and before detailed definition of the need to have new or existing work done by purchased services.

12.2.3 Definition of Need

The parties will consider what work must be done and why and include such dimensions as when it must commence and the duration of the work; the quantity of resources required; the quality of the results; the skills required and their availability internally and externally; and safety requirements.

12.2.4 Alternatives

The parties will consider such alternatives as, do the work internally; do part of the work internally and part externally; do the work externally and agree to acquire capability to do the work internally in future; or do the work externally.

12.2.5 Evaluation

The parties will evaluate the alternatives considering the impact on the customer, employees and the business. Such criteria as reliability of service to the customer, customer responsiveness, community impact, Company relations impact, job continuity, ability to perform work, degree of overtime required for the work, availability of resources, cost, timeliness, quality, need for control over results, safety and impact on environment will be assessed.

The total effectiveness of the alternatives will be evaluated considering both the short and long-term impacts. In given situations, certain criteria may be given a greater or lesser degree of importance.

12.2.6 Establishment of Thresholds

The establishment of the threshold is designed to remove from the process on a case by case basis certain issues relating to purchased services. The threshold will operate in such a way as to allow flexibility in local decision making. Any decisions regarding what is below the threshold will be non-precedent setting.

If there is a dispute with the union on whether the proposed purchased service is permitted by the threshold and there is no consensus, and if it makes sense in the circumstances the dispute will be resolved before the purchased service occurs. Lack of agreement on obtaining an advance resolution will not preclude the work from being performed, neither will it preclude the matter from being resolved under the 12.2.7 process.

The guidelines to determine whether a purchased service is below the threshold are as follows:

- subject matter lacking in substance; or
- any consequences are relatively insignificant; or
- where the nature or consequences of the work which represents a purchased service is remote from work currently performed by the PWU on a continuing basis. For purposes of clarity, this does not mean geographically remote; or
- emergencies; or
- any work performed under a manufacturer's warranty, except where the manufacturer authorized the Company to do the work.

Except in the case of an emergency, failure by the Company to supply the Union with the following information by fax or as otherwise agreed will result in the work in question being deemed to be above threshold. (In the case of emergency such decisions to use purchased services will be subject to the same information requirements, review and dispute resolution as non-emergency cases).

The Company will notify the Union of the:

- Value of Work as reflected in Tender/Contract/Bid or Estimate Documents
- Scope of the Work
- Location of Work
- Estimated Date of Commencement and Duration of the Work

Except in the case of emergency, after receipt of the above information regarding the work the union shall have three (3) working days to request

an opportunity to discuss the proposed purchased service, failing which the proposed purchased service will be deemed to be below threshold.

The parties will make themselves available for discussion within three (3) working days of the request for a discussion.

Upon request, once the work has been performed the Company will provide the Union with the details of the final contract costs.

- (a) Threshold grievances will be completed by the Chief Steward responsible for the PSA and presented to the line Management person responsible for the work in question.
- (b) Line Management must respond in writing to the grievance citing its position within 48 hours (as is required with all other grievances). Both parties should endeavour locally to complete a Record of Discussion form or an agreed statement of fact sheet.
- (c) The PWU office will assign a grievance number. Copies of the completed grievance and associated fact sheets or Records of Discussion forms should be sent to the PWU office and Labour Relations – Corporate Human Resources.
- (d) Grievances will be referred to Arbitration and scheduled through joint agreement between Labour Relations – Corporate Human Resources and the PWU office.
- (e) If it makes sense to do so, local discussions may take place with a view to resolving the threshold grievance up to the arbitration date.

12.2.7 Dispute Resolution Process

- (a) Mr. Teplitsky shall be appointed as Facilitator to assist the parties to resolve all issues of application and interpretation of this Article with the power and authority of an arbitrator under the *Ontario Labour Relations Act* but not subject to the Arbitrators' Act.
- (b) Any dispute between the parties relating to whether this Article applies to any decision to use purchased services or if a purchased service falls within the categories set out in 12.2.6 will be determined in an expedited manner by the facilitator whose decision shall be final and binding.
- (c) The Union will not be prejudiced in any subsequent case by a particular purchase of services. Similarly, the Company will not be prejudiced by any decision not to purchase services. This applies to all cases including threshold cases.

12.3 Joint Resolution Committee

12.3.1 Purpose

The purpose of this Joint Committee is to resolve disagreements, on a consensus basis in a timely and expeditious manner, as to whether proposed purchased services which are above threshold above may proceed. In its deliberations, the committee will consider the factors in items 12.0, 12.1 and 12.2.

Prior to a meeting of the Joint Committee, the Company will provide the Union with the following information related to the proposed PSA:

- copies of the Tender or Request for Proposal documents, if there are any;
- an accurate description of the work which is the subject of the proposed PSA;
- accurate details on bids e.g., price, scope of the work as set forth in the bid;
- a full cost benefit analysis including incremental costs but excluding overhead costs which would be incurred.

12.3.2 Membership

The membership of the Joint Committee shall be as follows:

- (a) The facilitator Mr. Teplitsky who shall act as Chairperson;
- (b) One Management and one union representative plus additional resources as required.
- (c) In the event of the parties not being able to reach a consensus decision the facilitator will have the power to make decisions. Mr. Teplitsky will have the authority to make such orders as he deems appropriate to give full affect to his decision(s) and to deal with any consequences his decision(s) might have in the workplace.
- (d) Where either party wishes to proceed with a Purchased Services discussion which is above threshold, the parties will endeavour to complete discussion within 10 days of notice to the union in the prescribed form and that full resolution, including review by the JRC, will occur within 30 days of notification.

12.4 Application of This Article

- 12.4.1** The parties will jointly develop and maintain an operating plan consistent with the provisions of this Article. Such plans will be approved by the appropriate Company official and the Power Workers' Union Vice President. Failure to jointly develop an operating plan will not adversely affect either party's rights under the provisions of this Article.

These operational plans will include:

- An approach for the development and delivery of joint training of decision makers
- An identification of the type of contracts that are not subject to an in-depth review.
- A guideline for a time table on how often contracts of a recurring nature must be reviewed under this Article.
- A process for joint review of potential contracts which involve work normally performed by PWU represented employees and other stakeholders.
- A process and a time frame for decision making.
- An internal process for dispute resolution.

12.4.2 Management and Union representatives may choose to jointly review the application of their operating plan and determine the need for changes at any time over the life of this agreement.

12.4.3 Until March 31, **2013**, Article 13, Article 14, Mid-Term Agreement MT-12 Contracting Out, MT-21, MT-21 Appendix A, and Mid-Term Agreement MT-14 Future Agency Employees are suspended. Item 12.1 of this Article will apply to decisions regarding the use of agency employees.

ARTICLE 12 – APPENDIX A

The provisions in this Appendix and Article 12.3.2 (c) are to be applied to those situations where employees are given surplus status as a result of a joint or arbitrated decision to use purchased services to do the work normally performed by the affected employees. The definitions contained in Articles 10 and 11 will also apply to this Appendix.

1.0 Joint Employment Security Committee

The function of the Joint Employment Security Committee is to resolve disputes regarding the appropriate application of this Appendix.

The committee will consist of six regular members, three representing the Union and three representing the Company. Two additional members from each party may be added from a work unit affected by the surplus situation under consideration. Meetings may be called by either party.

In all disputes referred to the committee for settlement, the committee's decision will be final and binding on both parties.

In the event that the Joint Employment Security Committee is unable to resolve a dispute, it will be referred to Mr. Teplitsky. The intention of both parties is to have a speedy resolution of the dispute. Verbal decisions which will be confirmed by a written decision will be acceptable and all decisions are final and binding on both parties.

2.0 Employment Security

The provisions of this Appendix will apply to a regular employee with two (2) or more years' seniority who becomes surplus from his/her position as a result of contracting out the work normally performed by that employee. The effect of decisions to use purchased services on PWU members will be minimized by accommodating required staff reductions wherever possible by attrition, transfer to other jobs or retraining. Redeployment/career counselling will be made available to affected staff when they are notified of their surplus status. Training and career options will be discussed and incorporated into the redeployment plan. Reasonable training and educational leave will be applied as appropriate. The provisions of this Article will not apply to regular-seasonal employees. The definitions contained in Articles 10 and 11 will also apply to this Appendix.

For the purposes of determining if the employee has sufficient seniority to qualify for this Appendix, his/her seniority will be counted up to the surplus date.

2.1 Surplus Identification

When a decision to contract out results in a surplus in a classification in any work site the least senior employee in that classification in the work site shall be identified as surplus. Such employees will be able to apply for vacancies as per Article 10.

2.1.2 If an employee with five (5) or more years seniority has not been selected to a vacancy within one (1) year after the surplus date, or an employee with two (2) years but less than five (5) years' seniority has not been selected to a vacancy within sixteen (16) weeks after the surplus date, he/she will be given displacement rights as contained in Article 11 and all other terms and conditions of Article 11 will apply. At this time all other provisions of Appendix A will cease to apply.

2.1.3 The one (1) year period for employees with five or more years' seniority and the sixteen week period for employees with two or more but less than five years' seniority is designed to allow employees not selected to vacancies to avail themselves of the retraining and reskilling opportunities outlined in 2.0 prior to any displacement as per Article 11.

2.2 Wage and Salary Treatment

2.2.1 Seniority – Five Years or More

The employee's grade and progression step shall be maintained and negotiated increases shall apply for one (1) year from the surplus date regardless of placement. If the employee accepts a vacancy in a lower-rated

classification his/her dollar rate shall be frozen at the end of the one (1) year until the rate for the classification equals the employee's dollar rate, at which time the normal wage and salary treatment shall apply.

2.2.2 Seniority – Two Years – Less than Five Years

The employee's grade and progression step shall be maintained and negotiated increases shall apply for sixteen (16) weeks from the surplus date regardless of placement. If the employee accepts a vacancy in a lower-rated classification his/her dollar rate shall be frozen at the end of sixteen (16) weeks for a period of three (3) months at which time a four percent (4%) reduction in rate will take place. Subsequent reductions of four percent (4%) will take place annually thereafter until the maximum rate for the lower-rated job is reached.

2.3 General Conditions

2.3.1 Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with displacement or layoff, with joint agreement may be given special consideration for work site protection/preference.

Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

2.4 Moving Expenses

Prior to Article 11 applying, an employee who is identified as surplus as per this Appendix and is required to relocate his/her residence shall receive moving expenses in accordance with the provisions of Part A, Item 23. Such moves will be treated as Company-initiated moves.

ARTICLE 13
EMPLOYMENT SECURITY PLAN⁷

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- 13.3 – Application
- 13.4 – Selection
- 13.5 – Wage and Salary Treatment
- 13.6 – Displacements
- 13.7 – General Conditions

13.0 Purchased Services

During the term of this Collective Agreement, no regular employee will be declared surplus in his/her position as a result of the use of purchased services to perform the work normally performed by that employee.

13.1 Employment Security

Numerous factors may affect the nature and methods of accomplishing work. Changes in work patterns cannot be prevented but the effect of such changes on regular employees should be minimized as much as possible. The effect of such changes on PWU members will be minimized by accommodating required staff reductions wherever possible by attrition, transfer to other jobs or retraining rather than layoff.

The provisions of this Article will apply to a regular employee with five or more years' seniority who becomes surplus from his/her position as a result of contracting out the work normally performed by that employee. The provisions of this Article will not apply to regular-seasonal employees.

Employees who become surplus for reasons other than contracting out will be entitled to Article 11 as applicable.

The definitions contained in Articles 10 and 11 will also apply to this Article.

For the purpose of determining if the employee has sufficient seniority to qualify for Article 13, his/her seniority will be counted up to the surplus date.

⁷ This Article is suspended for the term of this agreement.

13.2 Joint Employment Security Committee

The function of the Joint Employment Security Committee is to resolve disputes regarding the appropriate application of Article 13 versus Article 11.

The committee will consist of six regular members, three representing the Union and three representing the Company. Two additional members from each party may be added from a work unit affected by the surplus situation under consideration. Meetings may be called by either party.

In all disputes referred to the committee for settlement, the committee's decision will be final and binding on both parties.

In the event that the Joint Employment Security Committee is unable to resolve a dispute, it will be referred to an expedited arbitration process. The intention of both parties is to have a speedy resolution of the dispute. A list of arbitrators will be agreed upon who are prepared to meet on short notice (within seven days) and to render a decision within 14 days. Verbal decisions will be acceptable and all decisions are final and binding on both parties.

13.3 Application

When a surplus is identified in a classification in any location, the least senior employee in the surplus classification in the location shall be declared surplus.

Employees will be notified, in writing, a minimum of three months in advance of their surplus date. A copy of the notice shall be sent to the PWU office and the Divisional Chairperson.

13.4 Selection

The following selection criteria apply to vacancies and placement opportunities in equal- and lower-rated classifications:

1. For non-supervisory vacancies, the senior qualified surplus regular employee applicant will be selected.
2. Placement opportunities will be filled from among the qualified surplus applicants so long as there are qualified surplus applicants. For selection to a placement opportunity in an equal classification (if the equal classifications have been determined at the time the application is made), the senior qualified surplus regular employee applicant will be selected.
3. Selections to supervisory positions will continue to be governed by Article 10.1.3A except when the vacancy is in the same classification as the surplus employee in which case the senior surplus applicant shall be selected.

4. If a surplus applicant is selected to a vacancy he/she must render his/her decision within three working days of the offer being made. Failure to do so will be considered a rejection of the offer and will not affect his/her further treatment under this Article.

When there are no qualified surplus applicants, Management will assess the capability of the surplus applicants to become qualified in a reasonable period of time. Management will select from among those assessed to be qualifiable in a reasonable period of time.

Employees covered by this plan will be given surplus priority consideration from the date of notification until eleven months after the surplus date. The selection priority will be the same as detailed in Article 11.4.3 which are repeated here for ease of application.

The following applies for equal and lower rated vacancies.

Each category will be considered independently and in the order indicated.

1. Surplus employees represented by the PWU and surplus managerial services employees⁸.
2. Employees who were required to displace someone in a lower classification as a result of being surplus and who were previously in the classification that is now vacant.
3. Persons on the recall list whose occupational group contains the vacant classification.
4. As per Article 10.

13.5 Wage and Salary Treatment

The employee's grade and progression step shall be maintained and negotiated increases shall apply for one year from the surplus date or until the date the employee accepts a vacancy whichever comes first.

If the employee accepts a vacancy in a lower-rated classification, his/her dollar rate shall be frozen until the rate for the classification equals the employee's dollar rate, at which time the normal wage and salary treatment shall apply.

13.6 Displacement

If the employee has not been selected to a vacancy within one year after the surplus date he/she will be given displacement opportunities available in Article 11 and all other terms and conditions of Article 11 will apply, except for Article 11.4.

8 Managerial services employees in this context means employees paid from salary schedule 16 with the following exceptions: security guards, fire and safety inspectors, first aid attendants, and project medical attendants.

All other provisions of Article 13 will cease to apply.

NOTE

Employees of the construction field forces will not be entitled to the displacement opportunities of Article 11.

13.7 General Conditions

An employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension or an employee who is disabled to the extent that alternate employment will be difficult to obtain, may by agreement between the Company and the Union, be given special consideration when faced with displacement.

One year's additional seniority shall be allowed stewards and chief stewards for the determination of which employees are surplus within the electoral unit of the chief steward.

An employee who is assigned temporary duties or who accepts a vacancy will assume the working conditions of the position.

A surplus employee who is required to relocate his residence, shall receive moving expenses in accordance with the provisions of Part 'A', Section 23.0. Such moves will be treated as the Company initiated moves.

ARTICLE 14 EMPLOYMENT SECURITY AND WORK ASSIGNMENT⁹

14.0 It is the Company's intent to use regular staff to perform most of its work of a continuing nature. Furthermore, the Company will strive to provide regular staff with stability of employment.

The Working Paper on Staffing and Employment dated March 15, 1985 states Management's intentions with regard to continuity of employment for regular staff and proportions of work expected to be undertaken by regular staff. For at least the term of this Collective Agreement, the Company will not reduce the stated proportions of work to be done by regular staff.

At the end of each six-month period commencing January 1987, the Company will prepare a statement showing the proportions of work done by regular staff and make this information available to the PWU.

It is understood that the Working Paper on Staffing and Employment, as distinct from the terms of the above provisions, does not form part of the Collective Agreement and is not subject to the grievance and arbitration process.

⁹ This Article is suspended for the term of this agreement.

14.1 Work Assignment

1. It is understood that the assignment of work to purchased services does not convey a right to such work in the future, nor does it create any precedent with respect to future assignment of such work to purchased service employees by the employer.
2. It is agreed between the parties that no more than 450 of the Company tradespersons will be assigned by the Company at any one time under the EPSCA Maintenance Assist agreement to perform work for the Company. The Company agrees to inform the Union of the number of Company tradespersons assigned under the EPSCA Maintenance Assist agreement on a monthly basis.

ARTICLE 15 SUCCESSOR RIGHTS

The employer agrees that it will not directly or indirectly request government to exempt the Company or the Union from the successor rights provisions of the applicable labour relations legislation.

The successor rights provisions of the applicable labour relations statute shall be incorporated by reference into this Collective Agreement. No board of arbitration established pursuant to the grievance and arbitration provisions of this contract has jurisdiction to make any decision within the jurisdiction of the Labour Relations Board and nothing herein is intended to affect the jurisdiction of the Labour Board to resolve disputes related to the application of the provisions of the statute. For purposes of s.48 of the *Ontario Labour Relations Act* and s.57 of the *Canada Labour Code*, the Ontario Labour Relations Board or the Canada Labour Relations Board shall be deemed to be a Board of Arbitration for the resolution of disputes related to the interpretation, application, administration or alleged violation of this provision of the Collective Agreement. The remedial powers of the Labour Board shall be as set out in the relevant statutory provisions governing successor rights.

ARTICLE 16 DURATION OF THE AGREEMENT

This agreement shall come into effect as of the 1st day of April **2011**, and shall remain in effect until the 31st day of March **2013**, and thereafter from year to year unless terminated by written notice given by one of the parties to the other within a period of not more than two months, but not less than one month prior to the anniversary date.

In the event that either party desires to amend the Agreement but not to terminate the same, either party may, by notice in writing not more than 90 days and not less than 30 days before the anniversary date, serve notice of the proposed amendments and both parties shall thereupon commence

to negotiate in good faith with a view to arriving at an agreement on the proposed amendments and all provisions of the Agreement, other than those proposed to be amended, shall continue in full force and effect.

ARTICLE 17

TRANSFER OF EMPLOYEES ON CHANGE OF EMPLOYER

1. In this Article, transfer shall mean any sale, lease, transfer or any other transaction between Hydro One and the new employer, by virtue of which the control over any part of Hydro One's business or assets becomes held by the new employer and Hydro One employees become employees of the new employer.

Hydro One recognizes the importance of, securing for employees, opportunity for continuing employment with the new employer and will make all reasonable efforts to secure such opportunity for employees with the new employer.

2. Hydro One will provide the Power Workers' Union (PWU) with a listing of the positions and number to be transferred to the new employer 60 days prior to the new employer commencing operations (the "Affected Employees"). This listing will specifically identify any employees to be transferred who have previously transferred from an acquired municipal electric utility (MEU) to Hydro One and who have been provided with a period of employment protection, that is still active, as a result of such transfer. At the same time employees who are eligible to retire on or before the transfer date will be notified of their proposed transfer.

Prior to the new employer commencing operations as a result of the Agreement referred to in paragraph 1 herein, Hydro One will advise the Affected Employees of their transfer to the new employer. Any Affected Employees seeking to remain at Hydro One instead of transferring to the new employer shall be dealt with under paragraph 6 herein. Such Affected Employees must notify in writing the PWU and Hydro One within seven days of their notification of impending transfer.

3. Effective on the date Hydro One officially provides the PWU with the listing and number of affected positions referred to in 2 above:
 - (a) Subject to paragraph 3(b) herein, an employee who successfully applies for a vacancy in the affected business shall thereafter exercise seniority rights within the affected business and will have no seniority rights enforceable outside the affected business notwithstanding any other provision of the Collective Agreement.

- (b) Subject to paragraph 2 herein, employees in the affected business may apply for vacancies outside the affected business in accordance with the applicable provisions of the Collective Agreement up to 30 days prior to the scheduled date for closing of the Agreement referred to in paragraph 1 herein, but not thereafter, subject to paragraph 6 herein.
4. PWU represented employees transferred to the new employer who had applied to vacancies in Hydro One prior to the new employer commencing operations as a result of the Agreement referred to in paragraph 1 herein may exercise their rights to file failure to select grievances to those vacancies.
 5. All PWU represented employees transferred to the new employer who are currently on rotation to a position within Hydro One will be allowed to complete the rotation subject to the agreement of Hydro One, the new employer and the employee. Such rotations shall be treated as secondments by Hydro One. All PWU Hydro One employees on a rotation in a position that is transferred to the new employer will be allowed to complete the rotation subject to the agreement of Hydro One, the new employer and the employee. Such rotations shall be treated as secondments by Hydro One. While on such rotations, all service credit, vacation, pension (employee to pay employee contribution), sick leave and seniority credits will continue to accrue within Hydro One.
 6. If there is no agreement between Hydro One and the PWU on issues relating to employees who wish to decline continuing employment with the new employer, the issues will be submitted to an expedited mediation/arbitration process. Martin Teplitsky Q.C. will be the mediator/arbitrator for such purpose and any other matter relating to the interpretation or application of this agreement. The mediator/arbitrator will have complete and unfettered discretion to make any award which he considers fair and reasonable in all of the circumstances and his award shall be final and binding.
 7. If Hydro One hires employees doing the same work in the same classification or a classification performing substantially the same duties as transferred employees within 24 months of their transfer then such transferred employees will be offered positions in the classification being hired by Hydro One (subject to the agreement of their current employer) on a basis of seniority and without loss of seniority for their period of employment outside Hydro One.
 8. An employee who is not afforded the opportunity for continuing employment by the new employer shall have full rights under Article 11.

9. The PWU agrees that no proceedings will be brought against Hydro One claiming Hydro One is a related or common employer with the new employer or any of the new employers related or subsidiary businesses so long as the relationship in the Agreement contemplated in paragraph 1 does not materially change.

Signed
Hydro One Inc.

Vice-President, Labour Relations

Signed
Power Workers' Union
Canadian Union of Public Employees – Local 1000

Witness as to signatures above written on this paper:

Sector Vice-President

duly appointed to execute this Agreement on behalf of the Union.

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PART A
GENERAL ITEMS

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GENERAL ITEMS

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PART A GENERAL ITEMS

1.0 EMPLOYEE CATEGORIES

All employees fall into one or the other of four principal categories as outlined below. For PWU 'hiring hall' categories refer to Appendix A.

1.1 Probationary

This category describes persons taken on strength on a probationary basis with the prospect, if their services are found satisfactory, of a change of category to Regular full-time or Regular part-time (Section 1.2, following).

1.2 Regular

Regular employees are those employees who, having satisfactorily met the job requirements, are judged medically fit by the Health and Safety Division for positions which are part of the continuing organization of the Company. They must have served the required time in a probationary category which is part of the Company's continuing organization, or in a temporary category which becomes part of the Company's continuing organization.

1.2.1 Regular Full-Time

Regular full-time employees work the regular hours of the classification into which they are hired.

1.2.2 Regular Part-Time

The establishment of a regular part-time position is a joint decision of local management and the chief steward made in a spirit of trust and cooperation. The parties will ensure that regular part-time positions are appropriately used to maintain corporate effectiveness, not to split a regular full-time position.

Regular part-time employees are regularly employed on an average of 24 hours or less per week calculated on a monthly basis. They are employed for a minimum of 16 hours per month. Regular part-time employees are treated as regular employees except where noted otherwise.

Pro-Ration Formula: The regular part-time employee benefit pro-ration formula is calculated based on the hours worked by the regular part-time employee expressed as a percentage of the normal scheduled number of hours for the classification. Where the number of regular part-time hours vary in a week it will be necessary to calculate this percentage over a jointly agreed upon extended period to get an accurate figure.

1.2.3 Regular – Job Share

Regular full time employees interested in job sharing arrangements shall find an appropriate partner from the same work location with similar skills and the same or lower terminal rates. These employees must establish an acceptable arrangement between themselves before approaching Management with the request.

Upon attaining agreement between Management and the employees, the job share arrangement will operate for a trial 6-month period. Following the 6-month trial period, the arrangement will:

(a) be considered a temporary arrangement and be extended by a maximum of six (6) months at which time the arrangement will end,

OR

(b) be considered a permanent job share arrangement. At this time the vacated position will be posted and filled in accordance with Article 10. In the case of the permanent job share arrangement, the incumbents are required to remain in their arrangement until one partner permanently leaves the job share. At that time, the other partner is required to assume responsibility for the full-time position on 30 days' notice.

Employees engaged in a job share work arrangement are regular part-time employees for the purposes of benefits administration. Employees in job share arrangements will revert to regular full-time status for the purposes of application of Article 10 and Article 11.

Service credit for time spent in job sharing arrangements will be calculated on a pro-rata basis.

1.3 Regular-Seasonal

Regular-seasonal employees are those judged medically fit by the Health and Safety Division for the position involved, who have attained one year's accumulative service, and who are steadily employed through the year, except for short-term layoffs.

1.4 Temporary

Temporary employees are hired to perform work that is expected to last for a short period of time or to perform work in place of a regular employee who is absent from his/her position.

For temporary full-time and temporary part-time employees, accumulated service shall mean the period of employment during which there has been no break in employment exceeding five months.

1.4.1 Temporary Full-Time

Temporary full-time employees work the regular hours of the classification into which they are hired and may be engaged for up to 12 months of accumulated service.

1.4.2 Temporary Part-Time

Temporary part-time employees are employed for a period of up to 12 accumulated months on an average of 24 hours or less per week (calculated on a monthly basis). Temporary part-time employees are treated as temporary employees except where noted otherwise. Benefits are pro-rated the same as regular part-time employees.

To ensure that temporary part-time employees are properly classified as temporary, an assessment is to be made as to the regular or temporary status of the position whenever the temporary part-time employee is employed for twelve continuous¹ calendar months. This assessment is subject to the grievance procedure.

This assessment is made based on the definition of a regular part-time position, i.e. the work is of a continuing nature with a minimum of 16 hours in a calendar month. If the position is determined to be temporary this will be conveyed to the Chief Steward (the employee should be given an end date and will remain temporary).

If the position is determined to be regular part-time, a joint discussion must take place as per the Regular Part-time provisions in the agreement prior to the position being posted. If the incumbent's employment exceeds 12 continuous months the incumbent will be given regular part-time status and the incumbent's seniority will be calculated on a pro-rated basis.

If as a result of the assessment above, the position is still temporary part-time at the 12 month accumulated service mark one of the following options must be selected:

- 1) the job is posted as a regular part-time. This decision is a joint decision as per regular part-time provisions in the agreement.
- 2) The Steward agrees to an extension of the temporary part-timer's service for a specific period and the employee retains temporary status.
- 3) The temporary part-timer is terminated.

Accumulated service applies to temporary employees. Such employees do not have either seniority or service credit.

¹ If an employee commences on January 20th and works any portion of a calendar month for 12 continuous months, they will have 12 continuous calendar months service on January 20th of the following year.

1.4.3 Benefits

The following are the benefit provisions that apply to temporary employees.

1.4.3.1 Vacations

Entitled to a cash vacation allowance of four percent (4%) of accumulated wages.

1.4.3.2 Statutory Holidays

Temporary employees will be entitled to statutory holiday pay provided that they have more than three months' accumulated service.

Temporary part-time employees will be entitled to statutory holiday pay provided that they:

1. Have more than three months' calendar service;
2. Have worked on at least 12 days during the four weeks immediately preceding the holiday;
3. Have worked on their scheduled regular day of work preceding and following the holiday.

Payment for such statutory holidays will be the amount the employee would normally earn on a scheduled day of work.

1.4.3.3 Floating Holidays

Temporary employees who have accumulated 20 weeks' service in a calendar year will be entitled to three floating holidays subject to the following:

1. Floating holidays may be taken on such days as the employee and his/her supervisor mutually agree upon, following reasonable advance notice on the part of the employee.
2. Floating holidays shall not be carried over into the following year unless work considerations prevent the employee from taking the floater(s) in the year of entitlement.
3. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her floating holiday(s) before year-end because of absence due to illness, unused floating holidays will be assigned on the last working day(s) of the year.
4. Where an employee falls sick on his/her scheduled floating holiday, that day will not be charged against his/her sick leave credits, but shall be treated as a floating holiday for pay purposes.

5. Entitlement on Termination: If the employee terminates after having accumulated 20 weeks' service in the calendar year, the Company will make a cash payment in lieu of any unused floating holiday credit.

If the employee terminates prior to accumulating 20 weeks' service in the calendar year, entitlement will be as follows:

- (a) If the employee has not qualified for entitlement in the previous year, he/she will have no entitlement in the current year. If he/she was granted a floating holiday under 4. above, the Company will recover one day's pay for each floating holiday taken.
- (b) If the employee has qualified for entitlement in the previous year, his/her entitlement will be prorated based on the number of weeks' accumulated service in the year of termination. For example, an employee who terminates after accumulating five weeks' service in the year would be entitled to 5/20ths of three days.

The Company will either make a cash payment in lieu of any unused floating holiday credit or recover the value of the unearned portion of floating holidays taken under 4. above.

In no case will an employee be entitled to more than three floating holidays or floating holiday credit in a calendar year.

6. Temporary part-time employees shall receive pro-rated payment. (Ref. Part A, Item 1.4.2)

1.4.3.4 Sick Leave Entitlement

Temporary employees shall earn sick leave credit of one-half day at 100 percent (100%) pay for each month of accumulated service to a maximum of six days².

1.4.3.5 Health Insurance Plan (Excluding Summer Students Regardless of Wage Schedule Paid From)

These employees shall be considered as a group in order that they may apply to participate in the Supplementary Plan and the Extended Health Benefit Plan at group rates. One hundred percent (100%) of all premiums will be paid by the employees. These employees will be required to make election on benefit coverage at the time of hire for the duration of employment.

² Day, in this instance, is the number of hours normally worked by a regular employee in a classification and/or the work group of which the temporary part-time employee is a member (seven or eight hours). Sick leave is used on the basis of payment for the number of hours the employee was off work.

The Company will pay one hundred percent (100%) of the Ontario Health Insurance Plan premium for temporary employees who have four months' accumulated service.

1.4.4 Notice of Termination

When the employment of a temporary employee is terminated for other than cause, he/she is entitled to one week's notice in writing if his/her period of employment is three months or more.

2.0 REGULAR STATUS

Appointments to regular status are contingent on satisfactorily meeting the Company's medical requirements.

1. Probationary employees must serve a minimum of three months on probation. If service is satisfactory, they may be accorded regular status at that time. A period of not more than three more months can be used as a further period of probation if it is needed. At the end of this further period, employees must either be made regular, transferred to another position or dismissed. Regular part-time probationary employees must serve up to six calendar months on probation.
2. Temporary employees engaged in work of a continuing nature, shall be afforded regular status upon attaining 12 months accumulated service. In such circumstances the employee's position will be considered to be a vacancy. If the former temporary employee is not selected to this vacancy he/she will be declared surplus in accordance with Article 11.
3. Temporary employees engaged in work which is not of a continuing nature, shall be afforded regular-seasonal status upon attaining 15 months' accumulated service.

3.0 ANNIVERSARY PROGRESSION

Progression dates shall be calculated from the date of appointment or promotion to the position. Subsequent salary adjustments shall be on anniversary dates except as otherwise specified on the appropriate wage schedule.

NOTE

- (a) The progression date for a regular part-time employee who works on average 50% or more of the base hours of the full time classification for the year will be at the completion of one and one third years of service.

- (b) The progression date for a regular part-time employee who works on average less than 50% of the base hours of the full time classification for the year will be at the completion of two years service.

As a regular practice employees shall automatically progress from minimum to maximum as indicated in the respective wage schedules subject to the following:

3.1 Withholding Progression (Unsatisfactory Performance)

If an employee fails to make satisfactory progress his/her progression may be withheld for a period of six months. (8 months for a regular part-time employee working 50% or more of the base hours; 12 months for regular part-time employee working less than 50% of the base hours.)

In taking this action the Company shall provide the employee with one month's notice and the reason for the withholding.

The performance of an employee whose progression has been withheld as above will be reviewed within seven months (nine months for a regular part-time employee working 50% or more of the base hours of the classification and fourteen months for regular part-time employee working less than 50% of the base hours of the classification). If progress and general performance are found to be satisfactory, progression shall be granted. If not, the employee shall be either transferred or dismissed.

If at the time of this review the employee's progress and general performance were found satisfactory and if six months after the review his/her performance has continued to be satisfactory, he/she may be granted the next step in his/her progression.

This will then re-establish his/her original progression status.

If an employee in a recognized hourly-rated training program has not reached the acceptable level of performance his/her progression may again be withheld in accordance with the above. Progression to the journey person or job rate will not be delayed by more than six months.

3.2 Deferral of Progression (Absences from Work)

When an employee has been absent from work for a period in excess of three months, excluding approved vacation, his/her progression may be deferred without prior notice for a period of time not to exceed the length of the absence. Subsequent progression dates may be adjusted accordingly.

3.3 Progressions for Part C Controller-Trainees and Dispatcher-Trainees

Advancement as a controller-trainee and dispatcher-trainee will be by controlled progression, based on satisfactory progress in training and study

courses. On successful completion of training at the end of 36 months, controller-trainees will become Controller, Step 1. On successful completion of training at the end of 24 months, dispatcher-trainees will become Dispatcher Step 1.

4.0 RETROGRESSION POLICY

The term 'retrogression' is used to indicate a gradual reduction in pay to predetermined adjusted rate.

4.1 Where Applicable

1. Retrogression shall apply where a regular employee becomes unable to perform the duties of a job for which he/she is receiving the standard rate and is transferred to a lower-rated job because of:
 - (a) A disability caused by accident or illness.
 - (b) Inability to cope with increased responsibility due to change in job content.
 - (c) Where the unsatisfactory performance is due to faulty selection and the employee has served in the position for a period of at least one year.

Any retrogression for medical reasons is subject to ratification by the Chief Physician/Manager Health Services.

2. Retrogression shall not apply where:
 - (a) An employee has less than ten years' established service credit.
 - (b) The change to the lower-rated job is made at the request of the employee to escape heavy work or responsibility or for personal reasons.
 - (c) The change to the lower-rated job is made necessary for unsatisfactory job performance due to causes other than in Section 4.1(1).

NOTE

Where retrogression does not apply, the employee will receive the job rate for the new job effective at the time of transfer to the new job.

4.2 How Applied

The Company will endeavour to provide an employee to whom Section 4.1 (1) applies with work he/she is capable of performing. His/her rate of pay shall be calculated as follows:

1. A new rate for the employee will be calculated at the time the employee is retrogressed. This is calculated by adding to the base rate of the new classification an additional two and one-half percent (2.5%) (except as specified below) of the differential between the base for the new job and the base rate for the employee's former job for each year by which his/her continuous service exceeds ten years at the time of transfer. For regular part-time employees, the new rate is calculated on an hourly basis. For employees with 25 or more years of service, where the reason for retrogression is one of 4.1(1)(a) or (b), five percent (5%) is used in the calculation instead of two and one-half percent (2.5%).

The calculation determines the rate to which the employee's pay will be reduced.

2. The reduction in rate will take place in steps each amounting to but not exceeding approximately four percent (4%) of his/her former base rate. (Hourly rate for regular part-time employees.) The first step shall occur three months after he/she has been transferred to the new job. The subsequent steps shall occur at six-month intervals until the rate determined in 4.2(1.) has been reached.
3. Where the retrogressed employee is unable to do the job to which he/she has been retrogressed and demotion to another job is necessary, the rate for this new job shall be based on the differential between the base rate of the original job from which he/she has been retrogressed and the base rate of his/her new job.
4. While retrogression is in progress and after retrogression is completed, increases in pay that occur will be applied only to the base rate for the new job and the retrogressed employee will only receive a benefit when the base rate for the new job exceeds his/her adjusted rate.
5. It shall be the responsibility of each Human Resources Manager/ Officer to advise the Union in writing when any employees are placed on retrogression. This information will be provided to the Union as soon as possible but in any case before the reduction in rate specified in 4.2(2.) takes place.

4.3 Special Provisions

1. Retrogressed employees who are within 10 years of being eligible to retire without discount or who are within 15 years of normal retirement, shall have their rate frozen until the rate for the job being performed catches up to the frozen rate.
2. An employee with 20 years' service who is retrogressed for medical reasons related to the working conditions and job environment during a significant portion of his/her employment with the Company, will have his/her wages maintained until he/she is eligible for an undiscounted pension. The wage rate will be frozen thereafter.

The medical reasons will be reviewed and assessed by the LTD Review Committee.

3. If, in the opinion of the LTD Review Committee, an employee is retrogressed because of a serious injury that resulted from an on-the-job accident with the Company, he/she will have his/her wages maintained until he/she is eligible for an undiscounted pension. This provision will apply to all regular employees regardless of service.
4. An employee with ten years' service who is retrogressed because of a muscular-skeletal repetitive strain injury or injury arising therefrom, which is deemed compensable by the WSIB and relates to his/her working conditions with the Company will have his/her wages maintained until eligible for an undiscounted pension. The wage rate will be frozen thereafter.

The medical reasons will be reviewed and assessed by the LTD Review Committee.

- 4.4 Nothing in this regulation will override special commitments that have been made by the Company that in certain instances rates of pay will be maintained.

5.0 SERVICE CREDIT

5.1 Introduction

This item defines service credit and describes the basis for calculating service credit for all purposes except those of the Pension Plan which are covered in the Hydro One Inc. Pension Plan Rules.

The application of such service credit to vacations, LTD, sick leave and other benefits will continue to be governed by the appropriate instructions.

5.2 Service Credit Calculation

In most cases the service credit of a regular employee is that employee's seniority. The exception to this can be found in Article 10.1.2 where an employee who is appointed to a position within the PWU jurisdiction from a bargaining unit which restricts seniority to its own membership, has his/her seniority limited to service within the PWU bargaining unit.

Seniority applies to regular, regular-seasonal, and probationary employees only.

Temporary employees have accumulated service only.

Service credit will not be granted for absences without pay of greater than 15 days with the exception of:

1. Normal and Extended Pregnancy/Parental/Adoptive leave.
2. Elected Union officials absent on Union business.
3. Medical leave of absence.
4. Time off in lieu of overtime worked.

5.2.1 Regular Employees

Service credit shall be the period of employment with the Company and any service restored as per Part A, Item 5.3.

5.2.2 Temporary Full-Time and Part-Time Employees When Granted Regular Status

When temporary employees are granted regular or regular-seasonal status, service credit shall be granted for all previous full-time service and on a pro-rata basis for all part-time service.

5.3 Restoration of Service Credit

Regular employees who terminate and are re-employed to a continuing position shall have their service credit restored. Proof of past service must be provided by the employee in the first 60 days of re-employment unless the Company is capable of providing the proof within the first 60 days of re-employment. They shall not be required to serve a further probationary period. No service credit will be allowed for the period between termination and re-employment. Regular employees who were formerly employees of Ontario Hydro shall have their service credit restored as per Article 10.6.

Former regular employees who are rehired for temporary full-time or temporary part-time assignments will not be granted regular status upon

rehire. Former regular-seasonal employees will retain regular-seasonal status when rehired for a temporary assignment, within one year of their last termination date.

5.4 Restoration of Previous Service for Pregnancy Leave

Female employees of the Company or its predecessor, Ontario Hydro, who were granted pregnancy leave will be eligible for service credit as follows:

- (a) those employees who took normal pregnancy leaves will be eligible for service credit up to a maximum of 17 weeks.
- (b) those employees who took extended pregnancy leaves on or after April 1, 1977 will be eligible for service credit for the full duration.

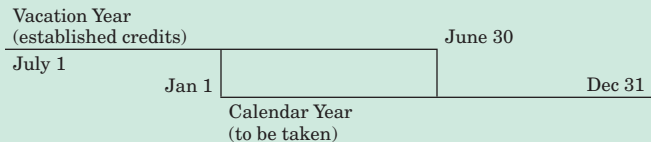
6.0 VACATIONS

6.1 General Policy

Whenever possible, vacations will be granted at dates requested by the employees, but in view of the Company's role in providing a vital service at all times, the Company reserves the right to determine the dates when vacations may be taken.

6.2 Relationship between Vacation Year and Calendar Year

For the purpose of calculating vacation allowances, the vacation year commences July 1 of the previous year and ends June 30 of the calendar year in which the vacation is to be taken.



6.3 Vacation Entitlement

Definition: The *Employment Standards Act* states that every employer shall give to each employee a vacation with pay of at least two weeks upon the completion of each 12 months of employment. The amount of pay for such vacation shall not be less than an amount equal to four percent (4%) of the wages of the employee in the 12 months of employment for which the vacation is given.

Wages are defined as any monetary remuneration payable by an employer to an employee under the terms of a contract of employment as well as any payment under the *Employment Standards Act* except vacation pay.

Included in wages are termination pay, overtime pay, holiday pay, sick pay, equal pay adjustments, shift differentials, premiums for weekend or holidays, on-call and standby.

Wages do not include vacation pay previously paid in the 12-month period, supplementary unemployment benefits, tips or other gratuities, gifts and bonuses that are dependent on the discretion of the employer and are not related to hours, production or efficiency. Also excluded are travelling allowances or expenses, contributions made by an employer to pension funds, unemployment insurance, death grants, disability plans, accident plans, sickness plans, medical plans, nursing plans or dental plans.

Where an employee receives a greater benefit for vacation or vacation pay, that benefit will prevail over the conditions set out in the *Employment Standards Act*.

The amount of pay for a vacation shall be not less than an amount equal to four percent (4%) of the accumulated wages of the employee in the 12 months of employment for which the vacation is given and in calculating wages no account shall be taken of any vacation pay previously paid.

Regular Employees

A regular employee shall be eligible for a vacation of:

Less than One Year's Service by June 30: One working day for each full month of service completed between June 30 of the previous year and July 1 of the current year up to a maximum of two weeks (10 working days).

The employee shall be paid four percent (4%) of the accumulated wages in the year for which the vacation is given.

For One Year and Less Than Three Years' Service: 10 working days (two weeks) annually. Vacation pay shall equal 10 days' base earnings or four percent (4%) of accumulated wages, whichever is greater.

For Three to Seven Years of Service: 15 working days (three weeks) annually when an employee has completed from three to seven years of service by the end of any calendar year. Vacation pay shall equal 15 days' base earnings or four percent (4%) of accumulated wages whichever is greater.

For Eight to Fifteen Years of Service: 20 working days (four weeks) annually when an employee has completed 8 to 15 years of service by the end of any calendar year. Vacation pay shall equal 20 days' base earnings.

For Sixteen to Twenty-Four Years of Service: 25 working days annually when an employee has completed 16 to 24 years of service by the end of a calendar year.

Vacation pay shall equal 25 days' base earnings.

In the year in which the employee is first eligible for 25 working days' vacation, he/she shall be granted it in one continuous period if he/she so requests.

NOTE

Employees hired on the first working day of January shall be deemed to have completed a calendar year on December 31 of the same year.

For Twenty-Five or More Years of Service: 30 working days' vacation in the calendar year in which he/she completes 25 years of service, and in each succeeding year.

Vacation Bonus

In the calendar year in which a regular employee completes:

- 26 years' service – 1 day's base pay
- 27 years' service – 2 days' base pay
- 28 years' service – 3 days' base pay
- 29 years' service – 4 days' base pay
- 30 years' service – 5 days' base pay
- 31 years' service – 6 days' base pay
- 32 years' service – 7 days' base pay
- 33 years' service – 8 days' base pay
- 34 years' service – 9 days' base pay
- 35 years' service – 10 days' base pay and beyond

The vacation bonus shall be calculated on the employee's base rate of pay as of July 1st of the year in which the bonus is payable. These bonuses are payable on the closest payday to July 1st of each year.

Regular Part-Time Employees

Regular part-time employees are eligible for paid vacation time off. The entitlement is based on calendar years of service and payment for time off is calculated on a pro-rata basis. (Ref. Part A, Item 1.2.2).

Probationary Employees

A probationary employee shall be entitled to a vacation of one working day for each full month of service completed between June 30 of the previous year and July 1 of the current year up to maximum of two weeks (10 working days).

Four percent (4%) of the total pay of the employee shall be paid in the year for which the vacation is given – whichever is greater.

Temporary Employees Made Regular

On attaining regular status, temporary employees will receive vacation entitlement for all service as defined in Part 'A', Item 5.2.2.

Temporary Employees

For less than one year's accumulated service: Entitled to a cash vacation allowance of four percent (4%) of all accumulated wages.

6.4 Special Provisions and Allowances

6.4.1 Deferment or Interruptions of Vacations

Reimbursement will be made for out-of-pocket expenses incurred by an employee who, at the request of the Company, either defers an approved vacation or returns before the vacation has expired.

When an employee is called back from vacation or when an employee's vacation is cancelled at the request of the Company, the employee shall receive premium rates of pay for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days.

NOTE

In the above cases, the deferred or interrupted vacation days are to be rescheduled at a later date subject to Sections 6.1 and 6.5.

6.4.2 Statutory Holidays and Vacations

If statutory holidays, to which an employee is entitled with pay, occur within his or her vacation period, the employee shall be granted an additional day's vacation for each in lieu thereof.

6.4.3 New Employees

An employee joining the staff between January 1 and June 30 and taking a vacation before July 1, shall receive only the days allowed for service to the date of commencing the vacation. Any remaining days credited for service between the vacation commencement date and June 30 shall be taken between July 1 and December 31.

An employee joining the staff between January 1 and June 30 and taking his vacation after July 1, shall receive only the days allowed for service to June 30.

If an employee joins the staff between July 1 and December 31, no vacation allowance can be used until after December 31.

6.4.4 Re-engaged Employees

An employee whose employment is terminated and who is re-engaged within 12 months of termination shall be granted a vacation allowance based on the employee's re-established service credit (see Part 'A', Section 5.0). However, the initial vacation allowance, while prorated on the same basis as above, must be taken as outlined in Section 6.4.3.

6.5 Postponed Vacations

6.5.1 With the exception of new employees as outlined in Section 6.4.3, vacations appropriate to the particular calendar year may be granted at any time but normally must be completed by the end of that year. Carry-over or postponement of vacations beyond the end of that year shall be in accordance with the following:

1. Where it is mutually agreeable, the employee may carry-over a maximum of one week's vacation to the following year (to be taken by April 30 of that following year). Request for carry-over must be made prior to September 1.
2. Under special extenuating circumstances (as identified in Subsections **6.4.1**, 6.5.2 and 6.5.4), application for postponement or carry-over of more than one week's vacation may be made to the respective director, or official of equivalent rank, but the vacation must be completed by April 30 of the next year.

6.5.2 An employee who is on sick leave shall not be granted a vacation until judged fit to return to work. If still disabled when sick leave credits expire, however, the employee may be placed on earned vacation. With Directors approval an employee whose 100% sick leave credits have expired and who is unable to return to work on modified duties, may be paid vacation in full day increments (5 days maximum) to offset loss of income once per calendar year.

6.5.3 An employee who becomes ill while on vacation shall not be placed on sick leave until after termination of the vacation. Under exceptional circumstances in case of very serious illness, sick leave may be granted at the discretion of the Chief Physician/Manager Health Services. The employee would then be entitled to the unused portion of his/her vacation after recovery from the illness.

Minor illnesses and injuries may cause some degree of discomfort or disability to an employee while on vacation. Yet for the most part, these do not necessitate complete removal from the vacation setting or loss of the beneficial effects of the holiday. However, when an employee on vacation becomes seriously ill or injured and as a result must be removed from vacation setting entirely, he or she should be entitled to sick leave.

The decision as to when an illness or non-occupational injury is sufficiently severe to justify transfer from vacation to sick leave should be made on medical grounds and rests with the Health and Safety Division. Normally hospitalization or complete confinement to bed in the home under regular physician's care have been the criteria used to judge severity, often after consultation with the attending doctor. "Exceptional circumstances" may include a number of things such as hospitalization, the need to be flown home from a trip abroad, becoming seriously ill on the first day of vacation, etc.

The decision to transfer from vacation to sick leave must be based on reliable medical evidence and made by a physician in the Health and Safety Division. All cases of requests for such consideration should be referred to the Health and Safety Division without exception.

- 6.5.4** Where an employee is on sick leave or workers' compensation and thereby is unable to use his or her vacation credit during the current year such vacations may be carried over to the following year in accordance with Sections 6.1 and 6.5.1. Any outstanding vacation credit that has not been approved for carry over into the next year shall be paid out by Dec. 31 of the current year.

6.6 Vacation Payment on Termination

An employee whose service is terminated by the Company or by resignation shall be entitled to a cash payment in lieu of an outstanding vacation allowance, calculated proportionately from July 1 marking the beginning of the 12-month period in which the vacation entitlement applies. Upon the death of an employee, his or her estate shall be entitled to the same payment.

The payment will be based on:

1. Four percent (4%) of accumulated wages for an employee entitled to the prorated amount of 10 working days annually.

NOTE

In each of the following subsections, the minimum amount to be paid must be at least four percent (4%) of accumulated wages (see Definition, Subsection 6.3) of the employee in the year for which the vacation is earned.

2. Six percent (6%) of base earnings to date for an employee entitled to 15 working days annually.
3. Eight percent (8%) of base earnings to date for an employee entitled to 20 working days annually.

4. Ten percent (10%) of base earnings to date for an employee entitled to 25 working days annually.
5. Twelve percent (12%) of base earnings to date for an employee entitled to 30 working days annually.

The value of the vacation bonus will be based on the employee's base rate at the time of termination. The vacation bonus for the incomplete year of service is pro-rated for the number of completed months from the employee's ECD to the date the employee terminates.

Vacation allowance regulations for employees whose service is terminated owing to retirement on early, normal, disability or postponed pension are in accordance with the above.

6.7 Part C (Controller/Dispatcher and Trainee) Vacations

Vacations for controller/dispatchers will be governed by the following:

1. Subject to exceptions resulting from unforeseen or emergent conditions, arrangements will be made to provide vacations as under-noted:
 - (a) Fourteen consecutive days³ off within the period July 1 to December 31 (summer schedule) to all regular controller/dispatchers.
 - (b) If desired by the controller/dispatcher and he/she makes this known to the Company prior to the preparation of the master work schedule, 21 consecutive days³ off including three weekends within the period July 1 to December 31 (summer schedule) to all regular controllers/dispatchers who qualify for three or more weeks' vacation.
 - (c) Where mutually convenient to the Company and the employees, if individual controller/dispatchers so request, all or part of the vacation allowance may be taken outside the period July 1 to December 31.
 - (d) A request by an individual controller/dispatcher for an extension of his/her vacation period may be granted at the Company's discretion by interchanging his/her scheduled vacation days or unused vacation entitlement with days of work, providing qualified staff (controller/dispatcher/trainee) is available.
2. If it becomes necessary to cancel the additional extension as outlined in this item, the controller/dispatcher granted the

³ The consecutive days referred to would normally include other than vacation entitlement.

extension will be required to return to his/her original schedule without penalty to the Company.

3. If, in any instance and due to unforeseen circumstances, vacation schedules are adversely affected, the Company will use available relief so as to reduce the abnormal period to a minimum.

7.0 STATUTORY HOLIDAYS

7.1 Recognized

The days listed below will be recognized by the Company as statutory holidays, regardless of any conflict between these holidays and those declared as statutory holidays by municipal, provincial or federal statutes.

New Year's Day	Civic Holiday
Family Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Christmas Day
Victoria Day	Boxing Day
Canada Day	

When Canada Day falls on a Saturday *or Sunday* it shall be observed on the following Monday.

In the event that Boxing Day or New Year's Day falls on a Sunday, it shall be observed on Monday. Similarly, if Christmas Day falls on a Sunday, it shall be observed on Monday and Boxing Day on Tuesday.

When Christmas falls on Tuesday, Boxing Day shall be observed on Monday.

All regular and probationary employees shall be paid for statutory holidays.

A statutory holiday falling within an employee's vacation period shall not be counted as part of his/her vacation but shall be taken as an extra day of holiday.

Regular part-time employees will be entitled to statutory holiday pay provided that they:

1. Have more than three months' accumulated service;
2. Have worked on at least 12 days during the four weeks immediately preceding the holiday;
3. Have worked on their scheduled regular day of work preceding and following the holiday.

Payment for such statutory holidays will be the amount the employee would normally earn on a scheduled day of work.

7.2 Sick Leave Credits

If an employee is not scheduled to work on a statutory holiday and falls sick, his/her pay for that day will not be charged against his/her sick leave credits and he/she will receive payment at 100 percent (100%) of his/her normal daily base earnings.

If an employee is scheduled to work on a statutory holiday and falls sick, that day is treated as a normal sick day and the employee would receive a lieu day at a later date.

8.0 FLOATING HOLIDAYS

Regular, regular-seasonal and probationary employees who have accumulated 20 weeks' continuous service in any calendar year will be entitled to three floating holidays subject to the following:

1. Floating holidays may be taken on such days as the employee and his/her supervisor mutually agree upon, following reasonable advance notice on the part of the employee.
2. Floating holidays shall not be carried over into the following year unless work considerations prevent the employee from taking the floater(s) in the year of entitlement.
3. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her floating holiday(s) before year-end because of absence due to illness (except when exhausting sick leave prior to LTD) unused floating holidays will be assigned on the last working day(s) of the year.
4. Where an employee falls sick on his/her scheduled floating holiday, that day will not be charged against his/her sick leave credits, but shall be treated as a floating holiday for pay purposes.
5. Regular and probationary employees may take their floating holiday(s) before accumulating 20 weeks' service in a calendar year.
6. Regular part-time employees are entitled to three (3) floating holidays upon completing 20 weeks of service. Pay treatment for the three (3) days is on a pro-rata basis. (Ref. Part A, Item 1.2.2)
7. Entitlement on Termination: If the employee terminates after having accumulated 20 weeks' service in the calendar year, the Company will make a cash payment in lieu of any unused floating holiday credit.

If the employee terminates prior to accumulating 20 weeks' service in the calendar year, entitlement will be as follows:

- (a) If the employee has not qualified for entitlement in the previous year, he/she will have no entitlement in the current year. If he/she was granted a floating holiday under 5. above, the Company will recover one day's pay for each floating holiday taken.
- (b) If the employee has qualified for entitlement in the previous year, his/her entitlement will be prorated based on the number of weeks' accumulated service in the year of termination. For example, an employee who terminates after accumulating five weeks' service in the year would be entitled to $\frac{5}{20}$ ths of three days.

The Company will either make a cash payment in lieu of any unused floating holiday credit or recover the value of the unearned portion of floating holidays taken under 5. above.

In no case will an employee be entitled to more than three floating holidays or floating holiday credit in a calendar year.

9.0 SPECIAL TIME OFF

9.1 Additional Time Off at Christmas and New Year's Holidays

When Christmas falls on Friday and Boxing Day on Saturday, an additional half holiday will be granted employees on the preceding Thursday.

When Christmas falls on Saturday and Boxing Day on Monday, an additional half holiday will be granted employees on the preceding Friday.

When Christmas falls on Wednesday, the Friday following Boxing Day shall be granted as an additional holiday.

When New Year's Day falls on a Saturday, an additional holiday shall be granted on either the preceding Friday or the following Monday.

Those regular part-time employees whose regular scheduled day of work falls on the holidays referenced above shall be granted the time off and compensated at a rate equal to their normal daily earnings.

9.2 Payment for Time in 9.1

Eligible employees required to work during the days in 9.1 shall be paid as follows:

1. If employees are normally scheduled to work and are required to work on such a day, they shall be paid straight time for such

work within normal scheduled hours and given equivalent time off with pay, up to a maximum of normal scheduled hours, within the following six months.

2. If employees are not normally scheduled to work on such a day and are required to work, they shall be paid at the rate normally paid for overtime work.
3. Eligible shift employees on a seven-day coverage basis whose normal scheduled day off falls at such designated time, shall be allowed equivalent time off with pay, within the following six months.

9.3 Treatment for Vacation

Special time off, as noted in 9.1, falling within eligible employees' vacation period shall not be counted as part of their vacation but shall be taken as additional time off.

9.4 Remembrance Day

This section was originally created to allow employees paid time off on Remembrance Day for those who served in the armed forces of Canada, Great Britain or their allies during World War II, the armed forces of the United Nations in Korea from 1950 to 1953, and the Allied Merchant Marine from 1939 to 1945.

Employees who can verify they have served in the Canadian Armed Forces, **and** those in the Reserve components of the Canadian Armed Forces, who have served in a foreign country, will be eligible for time off or payment if required to work.

9.5 Sick Leave Credit

When special time off, as noted in 9.1 occurs while eligible employees are on sick leave credit, their pay will not be charged against sick leave credits and they will receive 100% payment at their base rate for normal scheduled hours.

10.0 LEAVE OF ABSENCE

10.1 With Pay

Occasionally, an employee will be in a situation where there is no reasonable alternative to being absent from work for personal reasons. Sometimes the employee will, at the same time, be committed to considerable additional expense. Provision is made so that the Company may ameliorate the hardship to the employee which may result.

10.1.1 General

When in the Company's judgment the circumstances warrant such action, leave of absence with pay may be granted.

This leave is based upon reasons of personal emergency, such as severe illness in the immediate family which would necessitate remaining home until adequate arrangements could be made for outside help, or being in close attendance at a hospital. Also, in cases where an employee is faced with the effects of a severe storm, fire or flood.

10.1.2 Funerals

A regular employee may be released from duty for a period up to three days without reducing base earnings in the event of the death of a member of the immediate family including parent, parent-in-law, step-parent, brother, brother-in-law, step-brother, sister, sister-in-law, step-sister, husband, wife, son, son-in-law, step-son, daughter, daughter-in-law, step-daughter, grandparents, grandparents-in-law and grandchildren. In the event a regular employee is on approved vacation, the employee's vacation day may be transferred to funeral leave.

In the event of the death of a fellow employee, a regular employee may be allowed time off with pay to attend the funeral. Usually the time required is less than one-half day. Regular part-time employees shall be granted the time off with pay if scheduled to work.

NOTE

Section 10.1.2 is a guide applicable under ordinary circumstances, on the distinct understanding that it does not set rigid limits either maximum or minimum.

10.1.3 Annual Training for Reserve Forces

A regular employee who serves with the Reserve Force of the Canadian Armed Forces and can be spared from work may be granted leave of absence in order to attend annual training.

The employee will be paid the difference between the gross amount received from the Department of National Defence for the full training period and base earnings for the period of absence. The employee will be required to furnish his/her supervisor with a statement from the commanding officer of the reserve unit, showing the amount received from the Department of National Defence for the training period.

10.1.4 Legal Hearings

Base earnings will be maintained when an employee is called for jury duty or is subpoenaed to appear in court as a witness except in cases involving inter-union jurisdictional disputes.

10.2 Equivalent Time Off Without Pay

Employees who have worked overtime may be granted one hour off for each hour worked, without pay, in increments of not less than one-half day, provided the employee requests the time off and the workload permits.

10.3 Family Leave

Family leave of up to 5 unpaid days per year shall be granted when requested by the employee. This benefit will not be pyramided with any legislated benefits under the Employment Standards Act or other legislation.

11.0 PREGNANCY/ADOPTION/PARENTAL LEAVES

11.1 General Provisions

To be eligible, the employee must have worked for the Company for a period of at least 13 weeks preceding the estimated delivery date or have been employed by the Company for 13 weeks by the date on which the child comes into the custody, care and control of the parent for the first time.

These leave provisions are available to all categories of employees. In addition, regular employees including regular part-time employees eligible for pregnancy leave or adoption leave are entitled to supplementary unemployment benefits (Ref. 11.4).

Pregnant employees are entitled to pregnancy leave including those women whose pregnancies are terminated by still-birth or miscarriage within 17 weeks of the expected birth date (Ref. 11.2). Following the birth of the child, the employee is also eligible for parental leave. (Ref. 11.5).

Adoption leave is available to the parent who is designated as the primary caregiver (Ref. 11.3). Parental leave is also available to such an employee (Ref. 11.5).

Parental leave is also available to employees not eligible for pregnancy or adoption leave but who have become the parent of a child (e.g. an employee whose spouse has given birth to a child or the adoptive parent who is not the primary caregiver. Ref. 11.5).

Service credit will be granted for the full duration of such leaves.

Two weeks' notice is required for such a leave, except as noted in 11.2.2. The commencement date can be advanced or delayed upon the giving of a further two weeks notice. Similarly, the termination date can be advanced or delayed upon giving four weeks notice.

Eligibility for such leave does not necessarily mean the employee is entitled to EI benefits. However, EI benefits may be available in the case of such

a leave and employees should be referred to the nearest EI office to check their entitlement.

The Company will continue for the duration of any such leave to pay the same share of the premiums for OHIP, EHB, Dental Plan, Life Insurance and Pension Plan that it would normally pay for the employee. This will not apply with respect to any benefit plan where the employee is normally required to make an employee contribution and he/she has given the Company written notice that he/she does not intend to pay such contributions.

An employee going on such a leave may prepay his/her pension contributions prior to taking the leave or make up contributions on return to work to establish pensionable service for the period of absence. Prior to the leave, he/she must sign the appropriate forms indicating whether or not he/she wishes to prepay the pension plan contributions.

Positions temporarily vacated as a result of a pregnancy/adoption or parental leave will be filled on a temporary basis only until the employee on leave returns.

Provided the employee returns to work no later than the expiration of his/her leave entitlement, he/she will be offered:

- (a) The position most recently held if it still exists at a rate of pay not less than his/her wages at the commencement of the leave or if greater the wages that the employee would be earning had the employee worked throughout the leave.
- (b) Should the position most recently held not exist as a result of a surplus in the unit in accordance with Article 11 he/she will be offered a comparable position at the location he/she was previously working at a rate of pay not less than his/her wages at the commencement of the leave or if greater the wages that the employee would be earning had the employee worked throughout the leave.
- (c) Should (a) or (b) not exist he/she will be treated in accordance with Article 11.

The granting of extensions to the normal 90-day acting period for positions vacated by an employee on pregnancy/adoption/parental leave shall be automatic. The Union chief steward shall be advised of all cases where this subsection applies.

11.2 Pregnancy Leave – General

Prior to commencing pregnancy leave, the female employee must indicate in writing her desire to return to work following her pregnancy.

The *Ontario Human Rights Code* requires the employer to accommodate the needs of pregnant employees in the workplace, unless to do so would cause undue hardship to the business. If a pregnant employee is unable to work in her regular work location because of the possible radioactivity level, her normal base rate of pay will be maintained during the period of relocation.

11.2.1 Duration of Leave

An eligible female employee may apply for pregnancy leave, to commence after the 22nd week of pregnancy for a duration of up to 17 weeks.

The pregnancy leave of an employee who is not entitled to take parental leave ends on the later of the day that is seventeen weeks after the pregnancy leave began or the day that is six weeks after the birth, still-birth or miscarriage.

NOTE

Female employees who are the parent of a child are entitled to parental leave in addition to pregnancy leave. Parental leave is described in 11.5. Unless otherwise mutually agreed, parental leave must immediately follow the pregnancy leave unless the child has not come into the custody, care and control of the parent for the first time.

11.2.2 Physician's Certificate

When a female employee applies for pregnancy leave she must provide her supervisor with a certificate from her physician stating that she is pregnant and giving the estimated date of delivery at least two weeks prior to the date she plans to commence the leave.

In the case of a female employee who stops working prior to the commencement of her scheduled leave because of a birth, still-birth or miscarriage that happens earlier than the employee was expected to give birth, that employee must, within two weeks of stopping work, give her supervisor:

- (a) written notice of the date the pregnancy leave began or is to begin, and
- (b) a certificate from a legally qualified medical practitioner that states the date of the birth, still-birth or miscarriage and the date the employee was expected to give birth.

When a female employee resigns without notifying her supervisor that she is pregnant and she has not applied for pregnancy leave, but within two weeks following her resignation, provides her supervisor with a certificate from her physician stating she was unable to perform her job duties because

of a medical condition arising from her pregnancy and giving the estimated or actual delivery date, she shall be entitled to pregnancy leave if it is requested.

NOTE

The supervisor should obtain the advice and assistance of the Health and Safety Division if clarification is required.

11.2.3 Pregnancy and the Sick Leave Plan

Normal pregnancy leading to confinement is not an illness under the terms of the Sick Leave Plan. However, absences due to pregnancy-related illnesses or complications shall be considered as sick leave under the terms of the Sick Leave Plan.

11.3 Legal Adoptions – Primary Care-Giver

In cases of legal adoption where the child is raised in the home the following will apply after receipt of the child.

1. Where the child is less than elementary school age, the primary caregiver will be granted leave of up to 17 weeks.
2. Where the child is elementary school age or older and the primary caregiver requests leave, the duration will be based on the recommendation of the adoption agency with the final decision being made by the Company's Chief Physician.
3. The primary caregiver is also entitled to parental leave (Ref 11.5).

11.4 Benefits Under the Supplementary Unemployment Benefit Plan for Regular Employees

Provided they qualify for EI payments regular female employees who are eligible for pregnancy leave or the regular employee who is the parent designated as the primary caregiver in a legal adoption proceeding shall be paid a benefit in accordance with the Supplementary Unemployment Benefit Plan. In order to receive this benefit, the employee must provide the Company with proof that he/she has applied for and is eligible to receive unemployment insurance benefits pursuant to the *Employment Insurance Act*. The grant payment may only be paid upon receipt of proof that the employee is eligible for EI benefits. The simplest "proof of eligibility" is the counterfoil from the employee's first EI cheque.

According to the Supplementary Unemployment Benefit Plan payment will consist of:

1. Two weeks at 93 percent (93%) of the employee's base pay.
2. Up to fifteen additional weekly payments dependent on the length of his/her EI entitlement, equivalent to the difference between

the unemployment insurance benefits the employee is eligible to receive and 93 percent (93%) of the employee's base pay.

3. In the case of a legal adoption, in addition to the Supplementary Unemployment Benefit Plan payments, the primary caregiver shall receive the equivalent of 93% of two weeks base salary in the thirteenth and fourteenth weeks of the leave.
4. Other earnings received by the employee will be considered so that the total combination of SUB, EI benefit and other earnings will not exceed 93 percent of the employee's base pay.

These payments will only be made if the employee signs an agreement with the Company, providing:

- (a) that he/she will return to work and remain in the Company's employ for a period of six months from the date of return to work;
- (b) that he/she will return to work on the date of the expiry of her pregnancy leave or his/her adoption leave, unless the employee is entitled to another leave provided for in this agreement;
- (c) that the employee recognizes that he/she is indebted to the Company for the payments received if he/she fails to return to work as per the provisions of subsections (a) and (b).

11.5 Parental Leave

11.5.1 General

Employees who have been employed by the Company (including service with Ontario Hydro) for a period of at least 13 weeks by the date on which the child is born or comes into the custody, care and control of the parent for the first time are eligible for an unpaid parental leave. A parent includes a person with whom a child is placed for adoption and a person who is in a relationship of some permanence with a parent of a child and who intends to treat the child as his or her own.

11.5.2 Duration of Leave

Employees eligible for parental leave may take this leave beginning not later than 52 weeks of the child being born or coming into care. Unless otherwise mutually agreed females on pregnancy leave wishing to take a parental leave must commence parental leave immediately following the end of the pregnancy leave unless the child has not come into custody, care and control of the parent for the first time. The duration of this leave is up to 35 weeks.

Employees who wish to take this leave must give the Company two weeks' notice in writing prior to the date the leave would begin and four weeks'

notice of the date the leave will end if they wish to terminate the leave prior to 35 weeks following the date the leave commenced.

11.6 Service Credit

Employees who were granted pregnancy/adoption/parental leave from the Company or its predecessor, Ontario Hydro, on or after November 18, 1990 will be eligible for service credit for the full duration.

12.0 DISABILITY BENEFITS AND INCOME PROTECTION

12.1 Sick Leave Plan

The benefits of the Company's Sick Leave Plan shall be considered as part of this Agreement. However, it is recognized that its provisions are not an automatic right of an employee and the administration of this plan and all decisions regarding the appropriateness or degree of its application shall be vested solely in the Company.

When required by the employer, Major Medical Absence Reports and associated follow up reports shall be paid for by the employer up to \$40.00.

The Company's Sick Leave Plan will provide that probationary and regular employees will commence with a credit of eight days at 100 percent (100%) and 15 days at 75 percent (75%) pay, payable from the first day of sickness. This credit will continue to be available until the employee attains his/her first annual accumulation date as a regular employee. At the time of this accumulation date and each subsequent accumulation date he/she will acquire additional credits of eight days at 100 percent (100%) pay and 15 days at 75 percent (75%) pay. The accumulation of credits will be subject to the provisions of the Company's Sick Leave Plan.

Regular part-time employees shall receive a pro-rated number of sick days. When a regular part-time employee is absent due to illness on a scheduled day of work, they shall be paid for the hours of work scheduled for that day provided sick leave credits are available.

Normally employees will be expected to arrange routine medical or dental appointments during non-working hours. Where such appointments cannot be arranged during non-working hours and the employee can be released from his/her duties, then the time shall be charged against an employee's sick leave time.

Employees who are on sick leave for 30 days or more may be eligible to participate in a vocational rehabilitation programme in accordance with the Company's policy.

12.1.1 Medical Leave with Pay

Employees who are injured while commuting under Part A Item 20 to a temporary work headquarters which is 50 kilometers or less from their regular work headquarters, will be eligible for a Medical Leave of Absence with Pay provided they are deemed unable to work by the Chief Physician. The employee must apply for WSIB. This leave shall be paid at 75 percent (75%) of the employee's base rate once sick leave credits are exhausted. Sick leave plan rules apply. The medical leave shall be for a maximum of six months or when the employee is placed on LTD, whichever occurs first.

12.2 Long Term Disability

12.2.1 General Provisions of LTD Plan

The Long Term Disability (LTD) Plan provides financial security and rehabilitative employment features to regular employees during their absence from work due to extended sickness or injury. LTD benefits commence upon completion of the qualifying period which is defined below. Regular employees who are approved for the provisions of the LTD Plan will be subject to the following contractual provisions.

All employees who are in receipt of LTD benefits will be eligible to participate in the Rehabilitation and Re-employment Programme dependent upon their medical suitability and procedural requirements.

DEFINITIONS:

LTD Qualifying Period – The qualifying period is defined as the period six calendar months from the starting date of the employee's continuous absence due to disability; or a total of six months in accumulative authorized medical absences in the year prior to the date sick leave expires due to the same progressively deteriorating disability; or the expiration of sick leave whichever is longer.

Disability Period – The period in which an employee cannot continuously perform the essential duties of any position available in accordance with the priority placement criteria of the Rehabilitation and Re-Employment Procedure.

Benefit Level – The Company agrees to assume the full cost of an LTD Plan for all regular employees. The Plan would provide for a monthly income during the disability period equal to the lesser of:

1. Sixty-five percent (65%) of base earnings at the end of the qualifying period for LTD benefits, or
2. Seventy-five percent (75%) of base earnings at the end of the qualifying period for LTD benefits less any compensation awards

from the Workplace Safety and Insurance Board (WSIB) (excluding the Non-Economic Loss award) and/or the Canada Pension Plan, excluding benefits for dependents.

NOTE

Regular part-time employees shall be eligible for pro-rated income benefits.

Miscellaneous Provisions – A person who runs out of sick leave credits will be granted a leave of absence without pay until such time as the LTD qualifying period elapses. The employee will continue to receive service credit during this period and have coverage maintained in but will not be required to contribute to the Company’s Pension Plan, Health and Dental benefits, and the Company’s Group Life Insurance Plan.

Where an employee has been retrogressed to a lower-rated job for medical reasons and within two years (not including the LTD qualifying period) begins receiving a monthly income under the LTD Plan for reasons directly related to the original medical condition, the base earnings used to compute the LTD monthly income payment shall be the current rate of the employee’s original classification.

Exceptions and Limitations to the LTD Plan

LTD benefits will not be made available for claims resulting from:

1. A disability for which the person is not under continuing medical supervision and treatment considered satisfactory by the Insurance Carrier and the Company.
2. A disability caused by intentional self-inflicted injuries or illness while sane.
3. A disability from bodily injury resulting directly or indirectly from insurrection, war, service in the armed forces of any country, or participation in a riot.
4. Normal pregnancy leading to confinement.
5. ***Disability from occupational injuries for which the employee is receiving Loss of Earning (“LOE”) award from the Workplace Safety & Insurance Board for the first 24 months of payment due to total disability.***

No amount of LTD benefit will be payable with respect to the disability of an employee during any of the following periods:

1. If the disability is due to mental disorder, any period while the employee is not under the continuing care of a certified psychiatrist or other care authorized by the employee’s psychiatrist.

2. If the disability is due to substance abuse, alcoholism and/or drug addiction any period in which the employee is not certified as being actively supervised by and receiving continuing treatment from a rehabilitation centre or a provincially designated institution.
3. The period during which the employee is on leave of absence, including Pregnancy Leave of Absence. The LTD qualify period begins on the date the employee is expected to return to work from that leave of absence.

12.2.2 Benefits While on LTD

1. **Service Credit:** Service credit shall not continue while the employee is in receipt of LTD benefits. Upon return to work, service credit shall be applied as per Item 12.2.4.
2. **Vacation Credit:** Any outstanding vacation entitlement for a person going on LTD will be paid in cash upon expiry of sick leave. The cash payment will be calculated on the base earnings at the expiration of sick leave for the prorated days of vacation entitlement, any outstanding lieu days, any outstanding floating statutory holidays, and banked time for 40-hour per week employees. No vacation entitlement, floating holidays, or banked time for 40-hour per week employees accrues while a member is in receipt of LTD benefits.
3. **Vacation Credit During Rehabilitation Employment:** Vacation credits will be earned based on the hours worked and the employee's vacation entitlement multiplied by the corresponding percentage listed below. These credits will be paid in cash in the last pay period of the year if not used by December 31, or upon return to regular employment, or upon termination.

Vacation Entitlement (Based on Service Credit)	Percentage of Accumulated Earnings/Hours Worked
10 working days or less annually	4%
15 working days annually	6%
20 working days annually	8%
25 working days annually	10%
30 working days annually	12%

4. The Company health and dental coverage premiums continue to be maintained by the Company.

5. **The Company Pension Plan:** The employee's membership in the plan continues. Upon expiry of sick leave, the requirement for employee contributions is waived. An employee is not required to make contributions to the plan while he/she is receiving LTD benefits. The retirement pension continues to accumulate. Years of service continue to accumulate for entitlement to rights and benefits under the Pension Plan.
6. **The Company Group Life Insurance Plan:** Commencing the first day of the month following the end of the qualifying period for LTD benefits, an employee will continue receiving the same insurance option during receipt of LTD benefits as that in force prior to such receipt. An employee who is in receipt of LTD benefits is not required to make contributions to the Group Life Insurance plan.
7. **Sick Leave Entitlement:** Upon receipt of the memorandum from the Chief Physician recommending that the employee should make application for LTD benefits, entitlement to accumulate or restore sick leave credits shall cease on the day following the next accumulation date provided that it falls within the qualifying period.
8. **Union Dues:** Upon expiry of sick leave an employee's Union dues shall cease.
9. Employee status will continue with respect to maintaining redress rights to contractual provisions.

12.2.3 Recurring Disability After Return to Regular Work

If, on return to regular employment after receiving disability benefits, a subsequent period of disability recurs within six months and is related to the cause of the previous disability, the following shall apply:

Entitlement to existing sick leave credits shall cease, the qualifying period shall be waived, and the employee shall immediately receive LTD benefits as if there had been no return to work.

12.2.4 Individual Returns to Regular Employment

1. **Service Credit:** Continuous service recommences upon return to work and service credit accumulated prior to the date of receipt of LTD benefits will be added to it. In addition, for employees returning to regular employment within the first two years in receipt of LTD benefits, full service credit will be granted for that period as well. It should be noted that seniority for all employees in receipt of LTD benefits continues to accrue during the period they are in receipt of LTD benefits.

2. **Vacation Credit:** The employee will start earning vacation credit based on total service credit.
3. **The Company Health and Dental Coverage:** Premiums continue to be maintained by the Company.
4. **The Company Pension Plan:** Employee contributions recommence.
5. **The Company Group Life Insurance Plan:** Employee contributions recommence.
6. **Sick Leave Entitlement:** Eight days at 100 percent (100%) and 15 days at 75 percent (75%) pay shall be immediately credited. On the first accumulation date, restoration of sick leave credits will take place based on the total service credit. It is recognized that this provision is subject to the provisions of recurring disability as defined in Section 12.2.3.
7. **Union Dues:** Union dues recommence.

12.2.5 Termination of LTD Benefits

The LTD benefit ceases when any of the following events occur:

1. The date the individual ceases to be totally disabled or engages in any occupation for wage or profit except as permitted by the Rehabilitative Employment Clause.
2. The date the individual reaches age 65.
3. The date the individual fails unreasonably to furnish proof of the continuance of such total disability, or fails to submit to an examination requested by the Plan's medical advisors. At that point all LTD benefits will cease and the employee will be terminated.

When an employee does not comply with the above requirements the Union will be informed and act as the employee's advocate prior to such termination.

4. The date the individual dies.
5. The date the individual receives pension under the Company Pension Plan.

12.2.6 Indexation

- 1. LTD Benefits:** Individuals who are in receipt of LTD benefits will have their LTD benefit level indexed by the same amount that pensions are indexed.
- 2. Pension Calculation – Base Earnings:** For the purposes of calculating the pension benefit for LTD recipients the base earnings at the end of the qualifying period will be increased by the amount of the indexation increase granted in 1. above.
- 3. Insurance Benefit – Base Earnings:** It is agreed that for purposes of calculating the group life insurance benefit for LTD recipients, the base earnings at the end of the qualifying period will be increased by the amount of the indexation increase granted in 1. above.

12.3 Rehabilitation and Re-employment

Rehabilitative employment is an important feature of the Plan which provides an employee with additional financial incentive and assistance to re-enter the work force. It is defined as any employment within the Company and remains in effect until the employee is offered regular employment.

If during the disability period, an employee becomes capable of working, the Company shall endeavour to provide an (disabled) employee with work he/she is capable of performing. It is recognized that an employee must be prepared to attempt rehabilitative employment. In the event the employee refuses reasonable rehabilitative or regular employment, he/she shall be terminated and forfeit all rights to LTD benefits.

During rehabilitative employment, remuneration will be prorated based on the hours worked and the hourly rate of the current base rate of the rehabilitative position. Employees will continue to receive approved LTD/Sick Leave benefits, however, the benefit level will be adjusted so that the total of the rehabilitative earnings and these benefits shall not exceed the current base rate of the position occupied prior to disablement.

After the employee has successfully completed his/her rehabilitative employment and has been placed in a regular job on a continuing capacity, he/she will be paid at the normal rate of the job in which he/she has been placed, subject to any applicable retrogression policy.

12.4 Workplace Safety and Insurance Board Payments

The *Workplace Safety and Insurance Board* (WSIB) is responsible for administering the Workplace Safety and Insurance Act, and payments will be made according to the provisions set out within that Act. Any future legislative or regulatory changes may necessitate further discussion on the part of both parties.

Pending the decision of the WSIB regarding entitlement to awards, an employee's normal earnings will be maintained at his/her current level of sick leave (i.e. 100%, 75%, 0%).

12.5 Supplementary Grant

12.5.1 Definition of Supplementary Grant

The supplementary grant is an amount equal to the difference between the WSIB award and the employee's normal earnings after income tax deductions.

NOTE

WSIB award for this section excludes permanent impairment awards granted for accident dates prior to January 1, 1990, Non-Economic Loss Awards or Older Worker Supplements.

The employee's earnings for the purpose of calculating the supplementary grant will include only regular scheduled hours for a normal week.

The supplementary grant will be such an amount as to maintain the employee's normal net pay.

NOTE

Such a grant will not include payments for shift bonus, relief pay, overtime or premium hours or other payments which are not applicable when the employee is absent from and not available for work.

12.5.2 Who Receives the Supplementary Grant

The supplementary grant will be made only to probationary and regular employees.

Employees who are receiving *Workplace Safety and Insurance Board* benefits for claims or injuries suffered while in the employ of an employer other than the Company are required to notify the Company of being in receipt of those benefits in order to qualify for the supplementary grant. These employees will not be eligible for sick leave while receiving *Workplace Safety and Insurance Board* benefits that qualify for the supplementary grant.

12.5.3 Responsibility for Payment

The responsibility for payment will be in accordance with The Standard Authorities – Payroll Documents.

12.5.4 Withholding the Grant

The award of the supplementary grant should not be withheld unless there is strong evidence of gross negligence or obvious misconduct on the part of the injured employee. The supplementary grant will be withheld if the employee is not co-operating in the Early and Safe Return to Work Process or a **WSIB Work Reintegration Plan** or refuses a medically suitable position.

Authority for withholding the grant is vested in ***Vice President(s), Directors, Superintendents, in consultation with Human Resources, Labour Relations and the Manager of Health Services & Rehabilitation.***

12.5.5 Payment While in Receipt of WSIB Award

An employee in receipt of Total Temporary Disability (TTD) benefits will receive the supplementary grant for the entire period. Upon notification of the amount of the FEL award and/or LOE award the Company agrees to pay supplementary grant monthly on the FEL award and/or Loss of Earning (LOE) award for a maximum of 24 months. Any workers' compensation payments in excess of the FEL award and/or LOE award, excluding the Non-Economic Loss (NEL) award, shall be considered part of the FEL award and/or LOE award for purposes of calculating the supplementary grant. Upon request, the employee shall be paid out any outstanding vacation entitlement while payments are being processed.

For employees on rehabilitative employment the total compensation of FEL and/or WSIB Award plus rehabilitative earnings plus the Company supplementary grant shall not exceed 100% of the current rate of the pre-disability job.

If after 24 months in receipt of supplementary grant and a FEL award and/or LOE award the employee is still unable to return to work, he/she shall be placed on sick leave. The employee will continue to draw from his/her sick leave bank on a daily basis at the rate of half a day if the amount equal to the supplementary grant is equal to, or less than 4 hours, and a full day if the amount equal to the supplementary grant is greater than 4 hours per day. While on approved sick leave, however, the benefit level will be adjusted so that the total of any WSIB award and the sick leave benefit shall not exceed the employee's current base rate. Upon expiry of sick leave, if the employee is still unable to return to work, he/she shall qualify for LTD less any award, pension entitlement and/or any supplement from the Workplace Safety and Insurance Board (excluding NEL award) and/or the Canada Pension Plan.

12.6 Waiver of Posting or Selection

If at any time an individual who is in receipt of LTD or *Workplace Safety and Insurance Board* benefits is capable of returning to any further service

with the Company or if a medically suitable position becomes available for an employee who is medically restricted while at work or on sick leave, the Company will request, and the Union shall normally grant a waiver of posting or selection after considering all medically restricted employees eligible under the Rehabilitation and Re-Employment Policy.

13.0 HEALTH INSURANCE PLANS

13.1 Regular Employees, Pensioners and Regular Employees Receiving Workplace Safety and Insurance Board Payments

Subject to the condition that employees enroll their spouse and dependent children, the Company agrees to pay 100 percent (100%) of the premiums for:

Exception: Regular part-time employees shall be eligible for Health Insurance Plan coverage. Such employees will be required to pay costs of premiums (except OHIP) based on hours not worked divided by the regular hours of the classification. If he/she elects not to pay, coverage will not be provided.

1. OHIP – Covers medical and standard ward hospital services.
2. Supplementary Plan – Covers semi-private hospital services.
3. Extended Health Benefit Plan – Coverage details are contained in the current brochure entitled “Extended Health Benefits for Hydro One Inc.”
4. Group Dental Insurance Plan – Coverage details are contained in the current brochure entitled “Supplemental Group Dental Benefits for Hydro One Inc. “

An employee may voluntarily discontinue coverage in plans 2., 3. and 4. Upon reentry, and depending upon the terms of each plan, a waiting period must be satisfied before services will be covered. This would not apply to changes relating to marital/dependents status.

Effective January 1 of each year of the collective agreement, dentist fees will be paid up to the amounts shown in the current ODA Fee Guide.

13.2 Probationary Employees

The Company will pay 100 percent (100%) of all claims and fees for all probationary and regular employees who are covered by the Semi-Private Hospital Accommodation Plan, Extended Health Benefits Plan and Dental Plan. Coverage will commence on the employee’s Established Commencement Date and will cease on the employee’s termination date.

The Company will pay 100 percent (100%) of OHIP premiums commencing the second month of employment.

14.0 PENSION AND INSURANCE

NOTE:

As a result of Re-Opener Negotiations and the subsequent Teplitsky Award dated June 15, 1998 and 2000 Negotiations, several revisions were made to the Ontario Hydro Pension Plan which were incorporated in the Hydro One Inc. Pension Plan.

The changes include:

Notional Account

In consideration for the Rule of 82, changes to indexing, and changes to survivor benefits each as described below, the Notional Account will be eliminated in respect of all members, former members and beneficiaries of the plan and the elimination shall be confirmed by the obtaining of all necessary orders (including an order varying the order of Mr. Justice Trainor dated November 4, 1991).

The union will take, on an expeditious basis, all steps as may be required in order to obtain the necessary orders and will support Hydro in any steps Hydro may be required to take. Each party shall bear its own costs.

Rule of 82

Effective July 1, 2000, any member who on the date of retirement is represented by the Power Workers Union may, on or after the first day of the month in which the sum of the member's age in years and years of continuous employment is equal to or greater than eighty two, receive a pension that is 100 percent of the member's earned pension computed in accordance with the rules of the pension plan, in particular, rule 6.

Indexing

Effective on the date the Notional Account is eliminated, the plan shall be amended, in respect of members and former members who immediately prior to termination of employment were members of the union, to increase pension benefits on January 1 of each year by 100 percent of the increase in the Consumer Price Index, up to a maximum of 8 percent per year. In the event that the increase in the CPI exceeds 8 percent, the increase shall be carried forward to future years. In the event that the CPI decreases, the percentage decrease shall be applied in determining subsequent increases in pension benefits. A decrease in the CPI shall not reduce pension benefits in payment.

Changes to indexing as described in this section are subject to the condition precedent that the Notional Account will be eliminated for all members and former members and confirmation thereof by order as set out above.

In the absence of such an amendment and elimination of the Notional Account, the pensions of members and former members who immediately prior to termination of employment were members of the union will be increased by 100 percent of the increase in the CPI effective January 1, 1999 and January 1, 2000 and the cost of such indexing shall be charged to the Notional Account in the same way as was done in respect of the increase on January 1, 1998.

Survivor Benefits

Effective July 1, 2000, pensions of survivors of members or former members who on the date their employment ceased were members of the union shall be based on 66 and 2/3 percent of the member's pension rather than 64 percent of the member's pension.

Contribution Holidays

The parties agree that they will jointly approach the Government of Ontario to amend the *Power Corporation Act* to permit the Corporation to take contribution holidays from April 1, 1998 to the earlier of the date the collective agreement expires or the date subsection 22(4) of the *Power Corporation Act* is repealed.

14.1 Changes to the Pension Plan

14.1.1 The present Hydro One Inc. Plan forms part of this Collective Agreement. The pension portion of the Plan is generally described in the current brochure "Your Hydro Pension Plan". Changes to the plan affecting employees within the jurisdiction of the Union shall be subject to the following:

1. Subject to 2, Hydro One Inc. shall not make rules which would change employee benefits unless upon mutual consent.
2. In the event of the enactment of any general pension legislation applicable to the employees of Hydro One Inc., amongst others, Hydro One Inc. may, after notification to the Union, effect amendment of the Hydro One Inc. Plan provided that the combination of benefits resulting from the Hydro One Inc. Plan as so amended and such legislation will not be less in the aggregate than the benefits now provided.

14.1.2 Pension items will be submitted at the time that regular amendments to the Collective Agreement are submitted and will be negotiated at the time of regular bargaining.

14.2 Pension Plan

14.2.1 The interest rate on contributions returned to terminated employees will be calculated as set out in the Hydro One Inc. Pension Plan.

14.2.2 Integration with Other Benefits: Pension disability to be discontinued upon implementation of LTD Plan. Those presently on pension disability to continue under the existing provisions.

14.2.3 In recognition of proposed benefit improvements the Union agrees that the value of any EI rebate shall accrue to Hydro One Inc.

14.2.4 Early Retirement – Without Discount

1. Effective January 1, 1981 employees with the following age/service combinations may retire early with no loss of accrued benefits:
 - Age 60 or over with 25 years' service.
 - Age 59 or over with 26 years' service.
 - Age 58 or over with 27 years' service.
 - Age 57 or over with 28 years' service.
2. Employees may retire without discount when their age and years of continuous service equals 82 or more.
3. Employees who do not qualify for an unreduced early retirement pension under 14.2.4(1.) or 14.2.4(2.) may retire without discount after completing 35 years of continuous service.

Early Retirement Discounts

Table 1		Table 2		Table 3	
All employees with 25 or more years' continuous service (except females hired prior to 1976)		All employees with 15 or more but less than 25 years' continuous service (except females hired prior to 1976)		Female employees hired prior to 1976 with 15 or more years' continuous service	
Age	Percent Discount	Age	Percent Discount	Age	Percent Discount
55	15	55	25	50	25
56	12	56	22	51	22
57	9	57	19	52	19
58	6	58	16	53	16
59	3	59	13	54	13
60	0	60	10	55	10
61	0	61	8	56	8
62	0	62	6	57	6
63	0	63	4	58	4
64	0	64	2	59	2
65	Normal Retirement	65	Normal Retirement	60-65	Normal Retirement

NOTE

The above factors apply to employees who do not otherwise qualify for undiscounted early retirement pension.

14.2.5 Early Retirement – With Discount

1. The early retirement discount factors shown in Table 1 are for employees with 25 or more years' continuous service (except females hired before 1976) who do not qualify for undiscounted early retirement pension.
2. All employees who terminate and vest their pension will be entitled to the same early retirement discount as set out under 1.

above provided they had completed 25 years' continuous service by the date of their termination.

3. The early retirement discount factors shown in Table 2 apply to all employees who have 15 or more but less than 25 years' continuous service, except females hired before 1976.
4. The early retirement discount factors shown in Table 3 apply to all female employees hired before 1976 who have 15 or more years' continuous service and do not qualify for an undiscounted pension.

14.2.6 Transfer of Pension Credits Between Reciprocal Employers and Hydro One Inc.

Providing the reciprocal employers agree, the pension credits may be transferred to and from the reciprocal employer and Hydro One Inc. if the affected employees have fully vested their pension credits with the former employer and were hired by Hydro One Inc./reciprocal employer within three months of the termination date. This provision allows retroactive application.

14.3 Group Life Insurance

The present Life Insurance Plan of Hydro One Inc. forms part of this Collective Agreement.

14.3.1 At the time permanent wage adjustments to base annual earnings (as defined in the insurance plan) are implemented, adjustments will also be made in insurance coverage as follows:

1. If the change is effective on or between the first calendar and the first fiscal day of the month, eligibility is established for the given month.
2. If the change is effective on any other day of the month, eligibility is established for the next month.

14.3.2 Life insurance coverage of \$20,000.00 will be provided for employees who are required to work or travel in helicopters or aircraft. This coverage shall be in addition to the Group Life Insurance Plan.

14.3.3 Additional Employee, Spousal and Dependent Life Insurance

Effective July 1, 1994, eligibility under the Spousal Life Insurance Program in place as of April 1, 1994 will be extended to PWU represented employees. Effective July 1, 2001, eligible dependents will be eligible for life insurance coverage on the same basis as the Spousal Life Insurance Program at no cost to the Company.

At no cost to the employer, effective July 1, 2002, employees will have the option of purchasing additional term insurance in blocks of \$10,000 to a maximum of \$150,000 at rates established and with the conditions defined by the insurance company.

15.0 RETIREMENT

15.1 Bonus and Outstanding Vacation Payments on Retirement

1. An employee who has completed 10 years of continuous employment, shall be given, on retirement, a cash bonus equal to one month's pay. (In the case of a regular part-time employee, the one month's pay will be pro-rated as per Part A, Item 1.2.2.)
2. The employee on retirement shall also be given a cash payment for any outstanding vacation credits. The cash payment will be on the same basis as outlined in Part 'A', Section 6.6 – Vacation Payment on Termination.
3. If required by the Company to postpone his/her vacation for the year immediately prior to retirement, he/she shall receive a cash payment for that period. No payment shall be made for unused vacation for any other years.

15.2 Retirement While Ill

An employee who falls ill and is not able to return to work prior to the approved normal or early retirement date, shall, subject to approval by the Chief Physician, continue to be carried on the payroll as follows:

15.2.1 Sick Leave Grant Extends to or Beyond Retirement Date

If the sick leave grant carries the employee to or beyond the approved retirement date, the employee shall be retired upon being declared fit to return to work, or upon expiration of the sick leave grant, whichever comes first. The employee shall be given a cash payment in lieu of any outstanding vacation entitlement up to normal retirement date [see Subsection 15.1(2.) preceding], plus a bonus of one month's pay [if applicable, see Subsection 15.1(1.)].

15.2.2 Vacation Credit and Bonus Extends to or Beyond Retirement Date

If the sick leave grant expires prior to the approved retirement date, but part or all of the outstanding vacation credit (Part 'A', Section 6.6 – Vacation Payment on Termination) and bonus of one month's pay [if applicable, see Subsection 15.1(1.) preceding] carries to or beyond the approved retirement

date, the employee shall be given a cash payment in lieu of any unused portion of:

1. The vacation credit accumulated up to the expiry of the sick leave; and/or
2. The month's bonus.

15.2.3 Sick Leave Grant, Vacation Credit and Bonus Expires Before Retirement Date

If the sick leave grant together with any outstanding vacation credit and month's bonus [where applicable, see the preceding Subsection 15.1(1.)] does not carry to the approved date, the case shall be referred to the Director of Health and Safety for a determination of the employee's eligibility for LTD.

15.2.4 Unused Vacation Credit for Preceding Year

An employee on sick leave grant which extends over the beginning of a calendar year may be allowed credit for any unused vacation for the preceding year, subject to the approval of the director, or official of equivalent or higher status with the concurrence of the Director of Health and Safety.

16.0 REDUCED HOURS OF WORK FOR EMPLOYEES WHOSE NORMAL HOURS OF WORK ARE 40 PER WEEK

Effective April 1, 1994, the base work week for 39.5 hour per week employees was reduced to 39.0 hours per week.

1. The normal scheduled and paid hours of work will remain at 40 per week.
2. Overtime rates will be paid for all hours in excess of normal scheduled hours.
3. This banked time may be taken on such days as the employee and his/her supervisor mutually agree upon following reasonable advance notice on the part of the employee.
4. Banked time may be taken off in a minimum of half-day (i.e., four-hour) increments.
5. Banked time accumulated in a calendar year must be taken by April 30 of the following year.
6. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD as noted in Part 'A', Item 12.2.1), unused banked time entitlement will be assigned on the last working day(s) prior to April 30.

7. Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
8. Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence and Pregnancy / Adoptive / Parental Leave.
9. When an employee terminates or when an employee is reclassified to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.

16.1 Alternate Hours of Work Arrangements

In the interests of promoting organization effectiveness whilst meeting the needs of employees, the local chief steward and the appropriate management designate may agree to Hours of Work Arrangements for a work group or crew other than the normal scheduled hours/days for purposes of using up banked hours only. Either party with reasonable notice may cancel or request a change to the hours of work arrangement. Where banking of time is the agreed upon arrangement, the provisions of 16.2 will apply.

The following organization effectiveness criteria will be considered to determine which hours of work arrangement including banking time is appropriate.

- (i) Where possible, hours should be arranged to allow more flexibility for employees
- (ii) Productivity levels overall will be maintained
- (iii) Cost effectiveness e.g. impact on overtime, staff levels
- (iv) Requirement for job coverage
- (v) Effective work flow and interface among work units
- (vi) Level of service to external and internal customers

16.2 Where an alternate hours of work arrangement has not been agreed to in 16.1, the employees will continue to work 40 hours per week, banking one hour per week at straight time subject to the following:

1. The normal scheduled and paid hours of work will remain at 40 per week.
2. Overtime rates will be paid for all hours in excess of normal scheduled hours.

3. Bearing in mind organization effectiveness and with reasonable advance notice on the part of the employee, this banked time may be taken on such days as the employee and his/her supervisor mutually agree. Banked time must be taken by April 30th of the following year.
4. Banked time for shift workers shall be rescheduled as part of the time balanced schedule. Should the parties affected by a particular schedule mutually agree otherwise, the banked days may be scheduled outside the shift schedule.
5. Banked time may be taken off in a minimum of half day (i.e. four hour) increments. By mutual agreement fewer hours may be taken off to accommodate abnormal situations.
6. Banked time will be calculated on a calendar basis. At that time bank time credits will be calculated and adjusted accordingly. Note: This represents a change in the period used for calculating banked time (i.e. from April 1 – Mar 31). Employees will not earn more or lose time as a result of this transition.
7. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD as noted in Part 'A', Item 12.2.1), unused banked time entitlement will be assigned on the last working day(s) prior to April 30.
8. Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
9. Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence, and pregnancy leave and parental leave.
10. When an employee terminates or when an employee is reclassified to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.
11. Within the calendar year, banked time may be taken off prior to it being earned. If an employee leaves a banked time arrangement having taken more time than time earned, the employee will pay back the unearned amount by one of the following methods:
 - i) vacation or floating holidays, and where applicable statutory holiday credit;
 - ii) payroll deduction – the employee may be required to provide written authorization for payroll deduction.

17.0 PAYMENT FOR ALLOWANCES

17.1 Temporary Instruction

17.1.1 Daily Allowance

An allowance of \$30.00 per day or part of a day will be paid to an employee withdrawn from his/her normal duties for up to a maximum of thirty consecutive working days, to prepare for and/or to deliver classroom instruction or group demonstration.

Instructors assigned beyond thirty consecutive working days will be compensated at the regular Training Technician rate (Grade 65, Step 3), or 6% more than the individual's normal base rate whichever is greater.

Temporary Instructor requirements anticipated to exceed five months in duration but not greater than eighteen months shall be posted as Temporary Instructor vacancies (as per Article 10). Compensation will be at the regular Training Technician rate (Grade 65, Step 3), or 6% more than the individual's normal base rate whichever is greater.

These training delivery opportunities will be distributed as equitably as possible based on the skills necessary to carry out the training.

Employees so appointed who are required to give instruction outside of normal working hours shall be paid for this time at the appropriate premium rate in addition to the allowance/rate.

This allowance would not apply to:

- preparing and/or presenting a segment of his/her routine safety meeting
- on the job training given by an employee
- those employees whose normal duties include instruction
- any supervisor who is not removed from his/her normal duties and who receives greater than 5 percent more than those he/she supervises
- normal journeyperson to apprentice relationships
- the evaluation of performance on a specific training project as in the Electrical Maintenance Training Program.

17.1.2 Weekly Allowance

Those employees who are appointed to instruct Controller/Dispatcher Trainee along with their regular duties shall receive **\$50.00** per week bonus which is in compensation for the instruction and preparation of instruction material and for evaluating the performance and progress of the Controller/Dispatcher Trainee on a continuing basis of at least one week's duration.

Employees so appointed who are required to give instruction outside of normal working hours shall be paid for this time at the appropriate premium rate in addition to the allowance specified above.

This allowance does not apply to:

- on the job training given by an employee
- employees whose normal duties include instruction.

17.2 Part B Employees (Maintenance Trades)

17.2.1 Apprentices Attending School

Where an apprentice is required to attend a trades school in order to qualify as a tradesperson, or where it is clearly in the Company's interest to have the apprentice attend such a school, the apprentice will be granted a living allowance equivalent to 75 percent (75%) of his/her normal earnings in addition to any government grant, while attending a vocational or trades school under the Apprenticeship Act.

17.2.2 Field Allowance

A field allowance of \$25.00 per overnight stay will apply to all employees when working from bush camps or in northern communities in the Northeast and Northwest served by local diesel generation.

17.3 Part D Employees (Weekly Salaried)

17.3.1 Frontier Allowance

Regular weekly-salaried employees involved in construction who are absent from their headquarters for a period in excess of three consecutive weeks performing engineering and survey work in isolated locations in the Northeast and Northwest shall be entitled to a special 'Frontier' Allowance of \$5.00 per week for the full period worked.

17.3.2 Remote Northern Communities

An allowance of \$25.00 per overnight stay will apply to all regular employees in 'Protection and Control' when working in northern communities in the Northeast and Northwest served by local diesel generation.

18.0 HEADQUARTERS

18.1 General

Two classes of headquarters are established by the Company: work headquarters and residence headquarters.

18.2 Definitions

Work Headquarters – Regular: That location to which the employee normally reports in order to receive his/her daily work assignment or to perform his/her regular duties.

Work Headquarters – Temporary: The centre from which an employee is directed to work when carrying out all or part of his/her duties away from his/her regular work headquarters.

Residence Headquarters: The residence headquarters is that location within which or adjacent to which he/she is expected to reside or is assumed by the Company to reside for purposes of payment of allowances.

NOTE

The residence headquarters may or may not be the same location as the work headquarters.

Householder: Householder is defined as a person who maintains a complete dwelling.

18.3 Establishment of Headquarters

18.3.1 Work Headquarters

The Company may, at its discretion, establish work headquarters in any location for effective administration.

Notice Period – Overnight Absence at Temporary Work Headquarters: In the event an employee is assigned to temporary work headquarters and overnight absence is required, three working days' notice will be given. Notice will not be required where emergent conditions exist.

Penalty: Failure to provide notice as above will require payment of premium⁴ rates for work performed from the temporary work headquarters until the notice period has expired. This provision does not apply to travelling crews.

⁴ Time and one-half for two hours, double time for next four hours.

18.3.2 Residence Headquarters

The establishment of residence headquarters will be dependent upon the presence of adequate living facilities at that location.

Residence headquarters for employees with no spouse or dependents may be any location where there are boarding facilities either Company or privately owned.

Residence headquarters for employees with a spouse and/or dependents may be any location where there is housing accommodation whether it be Company or privately owned.

NOTE

Such accommodation must be one at which it is reasonable for the employee to reside.

Establishment of New Residence Headquarters: When a residence headquarters is established in a location which was not previously so designated, the human resources manager shall advise Labour Relations who, in turn, shall advise the Union.

NOTE

The Union need not be advised on individual moves from one established residence headquarters to another.

18.4 Change of Headquarters Upon Transfer

18.4.1 Advice of Headquarters

An employee shall be advised, when employed or transferred, of the location of his/her residence and work headquarters.

18.4.2 Notice of Transfer

When employees with more than one month's service are transferred and a change of residence headquarters is involved, a minimum of one month's written notice shall be given. This shall not apply in the case of an employee being transferred as a result of an advertised vacancy or as a result of the Worksite Redeployment clause of Article 11.0.

18.4.3 Duration of Stay in New Residence Headquarters

Householder: A change in residence headquarters will not be made for a householder unless it would appear that he/she will be located at the new residence headquarters for a period of at least six months.

Living in Trailers: For those employees living in household trailers, moves for lesser periods than six months may be authorized at the discretion of the division or region concerned, bearing in mind the distance and economics involved.

19.0 TRAVELLING TIME OUTSIDE NORMAL WORKING HOURS

When a supervisor directs employees to travel between one work centre and another work centre, they shall be entitled in any calendar day to payment for travelling at the appropriate premium rate in accordance with conditions governing overtime up to a maximum of the number of hours which constitute a normal work day subject to the following:

1. Overtime will be paid when employees are required to drive a Company vehicle outside normal working hours unless being used exclusively for their own personal transportation.
2. When travelling by public transportation, travelling time shall be considered to include waiting periods beyond the employee's control up to a maximum of five hours; both preceding, during and subsequent to the travelling period, but excluding meal periods (one hour each) occurring during the waiting period.
3. When a berth or overnight accommodation is allowed and available, compensation shall not be made between 2300 hours and 0800 hours, nor shall the time spent for noon and evening meals (one hour each) be subject to compensation.
4. Normally selection interviews are conducted during employee's normal working hours. However, where it is unavoidable, and an interview is scheduled outside an employee's normal working hours, additional payment will be made at straight time for each hour spent in interviewing or travelling up to a maximum of a normal day's basic pay for each day involved.
5. No compensation for travelling time outside the normal working hours shall be made in the following circumstances:
 - (a) For the first three hours travelling time each way when directed by his/her supervisor to attend a training course away from his/her normal work headquarters for five days or more. Payment for periods beyond the first three hours will be at straight time rates up to maximum of a normal day's basic pay.
 - (b) For attendance at conventions (except where it is part of the employee's normal function).
 - (c) When a change of residence headquarters and related transfer is involved, the employee will normally travel

during normal working hours without any loss of base pay. If the employee is required to travel on a regular day off, payment for travelling time will be made at straight time up to a maximum of the number of hours which constitute a normal work day.

- (d) On periodic return to residence headquarters resulting from a permanent transfer, as outlined in Section 23.12.
- (e) For a new employee reporting to some administrative centre or station for instruction or training before reporting for work at his/her new location.

6. Where the Company normally provides transportation facilities between residence headquarters and work headquarters for normal daily hours an employee required to work extension overtime will be provided free transportation to the residence headquarters.

NOTE

Equivalent time off without pay may be granted on the basis of an hour off for each hour spent travelling provided the workload permits.

20.0 COMPENSATION AT TEMPORARY HEADQUARTERS

During the term of this Collective Agreement, Management agrees it will not establish TWHQs that are less than 25 km from the regular work headquarters, with the following exceptions:

- 1. Within the Greater Toronto Area.
- 2. By mutual agreement between the Supervisor (FLM or Manager) and the PWU Chief Steward

It is understood that Management retains the right to deny employees the opportunity to commute to and/or from a TWHQ if there is a bona fide health and safety concern. Examples of such concerns are:

- 1. When the combination of work hours and commuting time would exceed 14 hours.
- 2. When there is extreme weather conditions.

20.1 Travel Outside of Residence Headquarters

When employees are directed to work at a temporary work headquarters which is outside of their residence headquarters, and when such headquarters is 50 kilometers or less from their residence headquarters, the

employee will be eligible to receive the commuting expense outlined below. When the distance is greater than 50 kilometers the employee may wish to commute daily rather than remain at the temporary work headquarters. When commuting, the employee may claim a daily travel expense on the following basis:

1. Where the temporary work headquarters is 50 road kilometres or less from the regular work headquarters: – \$35.00.
2. Where the temporary work headquarters is greater than 50 road kilometres but less than 101 road kilometres from the regular work headquarters: – \$55.00.
3. Where the temporary work headquarters is 101 road kilometres or more from the regular work headquarters: – \$85.00.

Employees are required to be at their temporary work headquarters at normal starting time and remain until normal quitting time. Employees will normally arrange for their own transportation, however, employees being paid a daily commuting expense may be required to drive a Hydro One vehicle to the Temporary Work Headquarters rather than their own personal vehicle. In these situations, the employee is still entitled to claim the full daily commuting expense and transportation arrangements will be made to return them to their regular work headquarters. Any passengers are also entitled to claim the full daily commuting expense. The driver is not entitled to overtime payments.

Employees must inform their supervisor, prior to commencing the TWHQ assignment, whether they elect the daily travel expense or remaining at the temporary headquarters for TWHQ greater than 50 kilometers. Such elections are for a one week period or the duration of the TWHQ assignment if it is less than a full week. On an exception basis, and only due to extenuating circumstances, the employee can change his/her election. When this occurs, all that is changed is the daily travel expense (that is, one return trip) is exchanged for motel and meals (or vice versa) for each affected day. As well, on an exception basis, and only due to extenuating circumstances, the supervisor can change the employee's election to take the daily travel expense. When this occurs, all that is changed is the daily travel expense (that is, one return trip) is exchanged for motel and meals for each affected day.

When employees elect to stay at the temporary headquarters as outlined above they shall be:

1. Paid for time spent travelling on the first trip when the work headquarters is changed and the last trip when he/she returns to his/her regular work headquarters.

While an employee is in receipt of benefits under Section 20.1, he/she will not be entitled to any of the provisions as set forth in 20.3.

20.2 Travel – Compensation When Assigned to Temporary Work Headquarters – Outside Residence Headquarters

It is often necessary for Company employees including those on transfer to work at temporary work headquarters which are at points distant from their residence headquarters.

Having due regard to the nature, importance, and length of the job and when practicable, the Company shall, within reasonable limits, reimburse the employee for expenses incurred in returning to his/her residence headquarters once each week. If an employee chooses to remain at the temporary work headquarters, the Company will pay the lesser of the cost of meals and accommodation or the cost of the return trip to his/her regular work headquarters.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.3 Return to Residence Headquarters When Transferred to a Temporary Work Headquarters

Entitlement will be for the duration of the transfer (subject to postponement as per 20.6.2 below).

All travel time associated with return to regular headquarters will be outside the employee's scheduled hours of work. The employee will be entitled to payment for actual time spent travelling at straight time to a maximum of eight hours each way.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.4 Assignments to Training Courses

Employees assigned to temporary work headquarters for training courses of five days or more will be compensated for expenses incurred in returning to his/her residence headquarters once each week.

No compensation shall be made for the first three hours of travelling time each way. Payment for periods beyond the first three hours will be at straight time rates up to a maximum of a normal day's basic pay.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.5 Expenses – Outside Residence Headquarters

The Company shall assume, within reasonable limits, the cost associated with meals, travel and lodging while an employee is assigned to a temporary headquarters. Where possible, single room accommodation will be provided.

Board and lodging shall be supplied without charge if the employee is living in Company-operated quarters.

When employees are required to work away from their normal headquarters for three consecutive days or more in a week, they shall be entitled to claim \$20.00 in compensation for laundry and long distance telephone calls home.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.6 Qualifications to Above Policy

The return trips mentioned in Section 20.3, will be granted subject to the following conditions:

20.6.1 Scheduling of Trips

Return trips to residence headquarters shall be made at times when service or apparatus will not be jeopardized thereby except in case of emergency such as illness in the family or other matters highly important to an employee.

The Company will schedule the trip to meet the needs of the majority concerned or by mutual agreement where the work of some employees is dependent on the assistance or presence of other employees.

20.6.2 Postponement of Return to Residence Headquarters

If, at the end of a week, when a return to residence headquarters would normally take place, it appears that the job will be completed on or before Wednesday of the following week, the return trip may be postponed until the job has been completed. If work is not planned on the weekend, the employee will have the option of remaining at the temporary headquarters or claiming the equivalent cost of staying at the temporary work headquarters and make his/her own arrangements.

20.6.3 Use of Company Vehicles

The round trip to residence headquarters must be made within the scheduled non-working period. It must be made in a Company vehicle whenever the services of a suitable vehicle are available.

When a suitable Company vehicle is available, employees who do not avail themselves of these facilities will not be reimbursed for transportation expenses. Those who remain at the temporary work headquarters will be treated as if they were at residence headquarters.

When transportation by Company vehicle is not provided, the equivalent of public transportation costs or the standard kilometre allowance, whichever

is lesser, will be authorized by his/her supervisor for an employee who chooses to use his/her own car instead of public transportation for himself/herself alone or for carrying other employees as passengers.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.6.4 Alternate Working Arrangements

In special cases when a temporary work headquarters is remote from public transportation, employees will be allowed to accumulate or “bank” overtime at straight time rates to a maximum of 40 hours in order to have extra time away from the job. Such permission shall only be granted when the majority of the affected employees agree. Each special case is subject to agreement between the PWU Executive Committee and Labour Relations.

When mutually agreed to by management and the local chief steward alternate hours of work (e.g. 7 days on 7 days off) may be established to allow employees to have extra time away from the job.

20.7 Alternative to Return to Residence Headquarters

The Company will consider paying travelling costs up to a maximum of the costs to residence headquarters when an employee wishes to go to some other location for personal reasons such as to join his/her family who are vacationing.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.8 Travel Inside Residence Headquarters

When employees are directed to report for work at normal starting time at a temporary work headquarters which is within their residence headquarters, they will be paid a daily travel expense equivalent to the return road kilometres between the temporary work headquarters and the regular work headquarters, computed at the current standard kilometre rate. This travel expense will be paid each day the employee works at the temporary work headquarters. In addition to this daily travel expense, the employee shall be paid for time spent travelling on the first trip when the work headquarters is changed and the last trip when he/she returns to his/her regular work headquarters. Trades and Protection and Control staff, whose regular work headquarters is within the city of Toronto, shall be eligible for the commuting expense outlined in Part A Item 20.1 when assigned to a temporary work headquarters within residence headquarters.

20.9 When employees are directed to work at a temporary work headquarters as in Section 20.8 and the Company provides a vehicle for daily transportation, the above daily travel expenses shall be reduced by 50 percent (50%).

21.0 METROPOLITAN TORONTO BOUNDARIES

For purposes of payment of travelling allowances the boundaries of Metropolitan Toronto, for Company purposes, shall conform to the Toronto metropolitan area boundaries as recognized by the municipalities constituting Metropolitan Toronto.

NOTE

This does not affect other special settlements relative to moving allowance, meals, etc., presently in effect within the metropolitan area of Toronto.

22.0 KILOMETRE RATES

Kilometre rates paid to employees using their automobiles on Company business shall be as follows:

1. The rate paid per kilometre is related to changes in the Private Transportation Index component of the Consumer Price Index of Canada.
2. The rate of .40 cents per kilometre will take effect on June 1, 2000.
3. Future increases of one cent per kilometre will occur with each additional ten percent (10%) point increase from the base figure of 31.5 (1992 CPI = 100) in accordance with the formula described in a letter of agreement between The Company and the Union dated May 25, 1983.
4. Conversion factor is 1 mile = 1.6 km.
5. A decline in the index below the level of a previously surpassed trigger point for two or more consecutive months will result in a reduction in the paid rate to the appropriate amount.
6. The effective date for any new kilometre rate triggered by this indexing formula will be the first of the month following the month in which the index is published.
7. The additional payment for hauling household trailers will be nine cents per kilometre. The payment for hauling smaller trailers (camper, ski-doo, boat, etc.) will be three cents per kilometre.
8. The above rates will apply on a province-wide basis.

As a condition of employment, the Company does not require anyone to own a car. When transportation is required, the employee may, with the Company's approval elect to use his/her own car at the approved kilometre

rate but if he/she does not elect to use his/her own car or if he/she does not own a car, the Company will, if necessary, provide alternative transportation appropriate to the occasion. However, ownership of an appropriate driver's license may be a condition of employment in some situations.

23.0 TRANSPORTATION AND MOVING EXPENSES

23.1 General

Method of Transportation: The method of transportation and all expenses chargeable to the Company in moves of employees are subject to the control and approval of the Company.

Packing and Shipping Furniture: In view of the Company's willingness to pay for packing furniture, as well as transportation, employees usually will not be allowed time or travelling expenses to return from point of work in order to look after packing and shipping of furniture, subject to Subsection 23.5, Time Off For Move.

23.2 Notice of Transfer

Refer to Section 18.4.2.

23.3 Transfer of Temporary Employees

The Company will only pay necessary travelling expenses of temporary employees when they are moved from one location to another at the Company's request.

NOTE

The transportation of families and/or furniture of such employees will not be paid.

23.4 Appointment of New Probationary Employees

A new employee hired for a regular position in a location other than the point of hire will not ordinarily be recompensed for moving expenses.

NOTE

In exceptional cases, as part of the employment agreement, a director may pay all or part of the moving expenses of the employee and household to the location where the employee will be employed.

This rule applies to a new controller/dispatcher-trainee or a new apprentice who is being assigned to the first location.

NOTE

Costs of transporting the family of a controller/dispatcher trainee or of an apprentice to a new location during the training period will be paid, but costs of moving the household effects of a controller/dispatcher trainee or of an apprentice who is a householder will only be paid when they have attained two years' service or on the final move to a regular position.

23.5 Transfer of Regular Employees

The following instructions will apply to all regular employees subject to the following limitations: A controller/dispatcher trainee will be eligible when progressing satisfactorily with the training course, after the attainment of two years' service. Apprentices will be eligible upon successful completion of the learner stage of their development, i.e., when they become improvers. In the case of regular part-time positions, expenses for employees will be pro-rated based on the hours of the position into which they are moving except for moves governed by Article 11.20 in which case Part A, Item 23.0 applies in whole.

Householders: When the residence headquarters of a regular employee, who is a householder, is changed and the employee's work headquarters is moved 15 km further from his/her home and such employee has moved his/her household at least 15 km closer to his/her new work headquarters, the Company will pay the cost of:

NOTE

A householder is defined as a person who maintains a complete dwelling.

1. Transporting the employee and family.
2. The packing, freight or truck charges on household effects, among which will be included boats and second automobiles which are part of the personal effects of the employee.

NOTE

Items of this kind which are used for business farming or commercial purposes, as well as large boats such as houseboats which would require special transportation would not be included in moving expenses paid by the Company.

3. The cost of board and lodging for the employee's family while furniture is in transit.

Board and Lodging: The Company will also pay the expenses or board and lodging allowance for the employee as applicable under Part 'A', Section 23.15.

Part 'D', Job/Field Clerks: Moving expenses will only be paid when there is a minimum of six months' work available at an established work headquarters or on a special project for these employees who are householders.

NOTE

For regular employees living in household trailers, moves for lesser periods of time than six months may be authorized by the department head or construction manager concerned. In this connection the distances and economics must be carefully considered.

Incidental Out-of-Pocket Moving Expenses: Employees may claim a \$4,500 allowance for miscellaneous out-of-pocket expenses required by the move. The requirement for supporting receipts and taxability of the allowance will be governed by Accounting Service Procedures.

Lease Termination: The Company will pay up to the maximum of two months rent towards the actual cost in terminating a lease.

Time off for Move: If regular employees who are householders are required to move their household to new residence headquarters on a regular scheduled day of work, they shall be granted one day off with pay to assist in the move.

NOTE

Extension of this time off with pay will be at the discretion of the director concerned.

Non-householders: When the residence headquarters of a regular employee who is a non-householder is changed, the cost of transporting the employee will be paid. A director, at his/her discretion, may authorize actual moving expenses to a maximum of \$750.00 or a lump sum payment of \$750.00 towards the cost of moving personal effects, including furniture. No reimbursement will be made for incidental out-of-pocket expenses.

NOTE

This section does not apply to controller/dispatcher-trainees nor to indentured apprentices with less than two years' service.

Kilometre: All employees described under the Householders and Non-householders sections may be allowed the regular kilometre rate for driving the employee's car to the new location provided that such cost is not more than it would otherwise cost for transportation of the employee's family and for freight on shipment of the automobile.

NOTE

When the Company considers a preliminary trip to the new location is necessary for interview or for the employee to seek a house, the time, board and lodging and travelling expenses of the employee may be paid.

Legal and Real Estate Brokerage Fees: In addition to the provisions of the Householders and Kilometre sections, with the exception of employees and circumstances listed in Exceptions subsection below, regular employees who are householders, required by the Company to move their principal residence, shall be entitled to the following:

1. The Company will reimburse the employee up to \$3,500.00 for legal fees and disbursements actually incurred in selling the old residence and/or buying the new principal residence, (legal fees will be in accordance with a standard recognized scale and could include such items as land transfer tax, survey and legal fees associated with arranging or discharging a first mortgage and mortgage appraisal fees).
2. The Company will reimburse the employee for standard brokerage fees up to \$11,500.00 related to the sale of the old principal residence.
3. To qualify for payment of expenses involved in purchasing a new residence, the employee must give written notice at the time of his/her transfer that he/she intends to buy a residence.
4. If an employee sells a mobile home [i.e., a trailer designed and used exclusively as a residence which exceeds 2.6 metres (8.5 feet) in width or 10.67 metres (35 feet) in length], he/she is considered to have sold his/her residence.
5. When an employee's actual cost exceeds the maximum allowed in either 1 or 2 above the employee may utilize any surplus in the other item up to the maximum of \$15,000.

Exceptions: Any transaction which is not commenced within one year of the date of the employee's transfer. Extension of this time period shall be at the discretion of a director.

Moves resulting from a demotion for cause.

23.6 Housing Assistance Plan

Eligibility for the Housing Assistance Plan is conditional on the employee abiding by all the requirements of the Housing Assistance Plan as listed below:

23.6.1 Application

23.6.1.1 The housing assistance plan applies to regular employees eligible under Item 23.5 who are subject to a forced transfer or who have received a written declaration that they are surplus.

23.6.1.2 The provisions of this policy are only applicable to the principal residence of the employee, but do not cover other commercial (income producing) properties, cottages which are not the principal residence, farms, commercial real estate holdings, tenanted properties (e.g. duplex or triplex), mobile homes on leased land, or residences with urea formaldehyde foam insulation (UFFI) or properties as defined in Item 23.6.1.3.

23.6.1.3 It will be the prerogative of the Company to reject an employee's application for Housing Assistance if the property is not an acceptable risk, with free and clear title.

23.6.2 Purchase Guarantee

23.6.2.1 The Company will provide a purchase guarantee based on an appraisal of the property's current worth by a group of up to three appraisers, to be selected by mutual agreement between Corporate Real Estate and the employee. The appraisals will be done at a time that is convenient to the employee and his/her family. Individual appraisals provided to the Company by the realtors/appraisers will not be disclosed to ensure objectivity for current and future appraisals.

23.6.2.2 The Company will not request appraisals until the employee is ready to list his or her house in the marketplace, providing this is within one year of the employee's transfer to the new work location, and the employee is prepared to abide by Subsection 23.6.2.4 and Subsection 23.6.3.1.

23.6.2.3 The employee must accept or reject the Company's Purchase Guarantee within five working days of its receipt. If the employee rejects the Purchase Guarantee, the Company has no further responsibility with regard to Housing Assistance or the Purchase Guarantee, however, the employee will still be entitled to the other relocation assistance benefits including 23.6.5.3.

23.6.2.4 If the employee wishes to participate in the Housing Assistance Plan, the employee must not list the property for sale until the Purchase Guarantee has been accepted.

23.6.3 Listing of Property

23.6.3.1 If an employee chooses to participate in the Housing Assistance Plan, by accepting the Purchase Guarantee, the employee will immediately list the property for 90 days on MLS (where such service is available) at a price not exceeding 107% of the guaranteed price.

23.6.3.2 Under the Housing Assistance Plan, the Company purchases an employee's principal residence in the former location at market value, if the employee is unable to sell it within 90 days. The house may be purchased by or turned over to the Company after 30 days if the house is vacant and the employee agrees with this action. The employee must put in writing that no real estate fees will be paid if the property is purchased by the Company.

23.6.3.3 The employee will retain the right to sell to a third party until such time as the property is purchased by or turned over to the Company for resale.

23.6.3.4 In order to assist the employee to dispose of the property expeditiously and at a fair market value, the employee must notify the Employee Relocation Administrator of all offers to purchase during the listing period. The Company may ask the employee to accept an offer which is lower than the Purchase Guarantee, whereupon the employee will be compensated for the difference between the Company's Purchase Guarantee and the amount of the offer. The employee's acceptance of any offer less than the Company's Purchase Guarantee is not mandatory and the employee will retain control of the sale of the residence throughout the listing period. All offers to purchase will be held in confidence by the Employee Relocation Administrator.

23.6.4 Sale of Property by the Company

23.6.4.1 The employee must be prepared to sign power of attorney authorizing the Company to sell property on the employee's behalf on the first day following the 90 day listing period. If the employee will be unable to vacate the premises at that time, the Employee Relocation Administrator must be notified.

23.6.4.2 The Company will pay to the employee the difference between the value of the property to the Company (Purchase Guarantee) and all existing encumbrances, including the advance of equity when the house is turned over to the Company or at the end of the 90 day listing period, whichever comes first.

23.6.4.3 When an employee applies for assistance under this procedure, he or she must declare under oath, if required by the Company, all encumbrances of any nature or kind whatsoever, including executions, chattel mortgages, and notices of conditional sales contracts which the employee is obliged to pay.

23.6.4.4 In consideration of the payment to the employee of the amount established in Subsection 23.6.4.2, the employee will complete a deed of sale of the property, conveying the same by good and marketable title, but subject to all existing encumbrances, to the Company or its nominee.

23.6.5 Advance of Equity

23.6.5.1 In order to provide the employee with funds for a deposit or down payment on a residence at the new location, an advance of up to 100% of the employee's equity (Purchase Guarantee minus encumbrances) in the employee's principal residence at the former location may be loaned to the employee by the Company.

23.6.5.2 If the employee accepts the Company purchase guarantee and sells his/her principal residence during the 90 day listing period, he/she is responsible for repaying the Advance of Equity to the Company within five working days of the closing date of the sale of the former residence. Failure to do so will activate the appropriate interest charges to the employee based on the Treasury Division's Published Interest Rate Schedule (employee housing loan five-year term) in effect on the closing date of sale. It is the employee's responsibility to repay the Advance of Equity to the Company within five days of the sale of the former residence, or within 90 days from the date of issue of the Advance, whichever comes first.

23.6.5.3 An employee who rejects the Company's Purchase Guarantee, may take advantage of the Advance of Equity option. If the former principal residence is not sold within 90 days of the date of issue, the employee must pay interest to the Company at his/her own expense commencing on the 91st day. The interest rate will be based on the Treasury Division's Published Interest Rate Schedule (employee housing loan five-year term) upon the expiration of the 90-day period. It is the employee's responsibility to repay the Advance of Equity to the Company when the former residence is sold, or within 180 days (six months) from date of issue of the Advance, whichever comes first.

23.6.6 House Evaluation and Guarantee Plan

Upon subsequent transfer within the Company, an employee will be guaranteed his/her purchase price up to a maximum of four times his/her base salary at the time of the transfer (plus or minus \$3,000 for improvements or damages to the property). This guarantee will be for

a period of ten years from the date of purchase. Improvements must be verified by receipts and do not include normal painting, decorating and maintenance costs. An employee may not sell his/her house for less than the guaranteed amount without the consent of the Company.

If an employee contracts to have a house built in the new location, the Employee Relocation Administrator, Corporate Real Estate, must arrange for an appraisal of the new principal residence upon completion to establish the "guarantee amount".

If an employee who is eligible for the House Evaluation and Guarantee Plan rejects, or does not qualify for, the Company's Housing Assistance Plan, the following stipulation will apply. The employee must not sell to a third party for a price less than the employee's original purchase price, unless the sale price is approved by the Employee Relocation Administrator, Corporate Real Estate.

The price level guaranteed by the House Evaluation and Guarantee Plan will be modified downwards in the event of a significant reduction in the level of real estate prices throughout Ontario.

23.7 Transfer of Regular Employees – Staff Reduction and Recall Procedure – PWU Agreement – Article 11

No moving expenses will be paid for an employee being recalled to a vacancy.

Recall shall include employees who are reclassified from a lower classification to their original classification as well as employees who have terminated employment and are recalled.

When regular employees who, with the approval of the region or division are occupying a house or a trailer on Company property or a site under control of the Company, become surplus and are unable to transfer under Article 11 but are laid off, they shall, if required by the Company to move, be reimbursed under Section 23.5 or 23.7, whichever is applicable, in an amount equal to the cost of a move back to the regional office or to the actual location to which the employee desires to move, whichever is the lesser.

23.8 Use of Trailers

Special Trailer Allowance: Regular employees entitled to moving expenses who are moving to sites that do not have convenient facilities for parking household trailers will be entitled to a special trailer allowance of \$150.00. Such facilities include blocking up of trailers, hook-up of water, sewage, electricity and the like.

NOTE

Employees moving to established trailer parks, either privately owned or on Company property, will not be entitled to this special allowance.

At Temporary Headquarters: Regular employees who desire to live in a trailer while working away from their residence headquarters may do so with the approval of the department head.

When moving the trailer from one temporary location to another temporary location, the employee will be allowed the cost of only public transportation unless the employee is using his/her car for Company purposes, in which case the standard kilometre rate will be allowed.

At Residence Headquarters:

1. When a regular employee lives in a trailer and moves it to the new residence headquarters by car, payment shall be:
 - (a) In addition to the authorized car kilometre rate, a sum equal to nine cents per kilometre for moving by the shortest practical route between the two residence headquarters.
 - (b) Normal living expense en route for the employee and immediate family.
 - (c) The special trailer allowance of \$150.00 will be paid.

NOTE

Incidental out-of-pocket moving expenses will not be paid.

2. When an employee lives in a trailer but does not own a car or feels that the car is not suitable to pull the trailer:
 - (a) The Company will arrange for the moving of the trailer by the most economical method.
 - (b) The employee will be responsible for arranging a new location for the trailer.
 - (c) The employee and/or family will not occupy the trailer while in transit.
 - (d) Transportation expense will be supplied in the same manner as if the employee were moving from one house to another except that incidental out-of-pocket moving expenses will not be paid.

- (e) The special trailer allowance of \$150.00 will be paid where applicable.
3. When an employee who lives in a trailer, decides to live in a house at the new location:
- (a) Personal effects and furniture excluding the trailer will be moved.
 - (b) The employee and family will be supplied transportation in the usual manner.
 - (c) The employee may claim a \$4,500 allowance for miscellaneous out-of-pocket expenses required by the move. The requirement for supporting receipts and taxability of the allowance will be governed by Accounting Service Procedures.
4. When an employee who lives in a house decides to live in a trailer at the new location, payment shall be either:
- (a) Moving expenses for furniture and family, but not trailer, if the employee desires the furniture shipped, or
 - (b) Expenses as outlined in residence headquarters Subsections 1. and 2., if furniture is moved in the trailer.
 - (c) The special trailer allowance of \$150.00 will be paid where applicable, but the disturbance allowance will not be paid.

NOTE

The Company will not accept responsibility for any damage to an employee's trailer and/or contents while in transit under any of the circumstances mentioned in Subsection 1.5.

23.9 Transfer to Non-Supervisory Vacancies: Other Positions

Where management requests an individual employee to submit his/her application to a "Non-Supervisory Vacancy: Other Positions" to a particular location, moving expenses as outlined in Subsections 23.5 and 23.7 will be paid.

The payment of moving expenses to employees who are being transferred at their request and entirely for their own accommodation will be at management's discretion.

23.10 On Retirement

A regular employee on retirement shall be reimbursed under Subsection 23.5 or 23.7, whichever is applicable, in an amount equivalent to the cost of the move to any location in Ontario in which the employee desires to settle if:

1. A house or trailer is occupied on Company property or a site under the Company's control; and
2. The Company requires the move.

23.11 Allocation of Moving Expenses

When an employee is moved from one location to another, the expenses involved shall be charged to the location to which the employee is moved except in the case of a move of a retiring employee occupying a Company-owned house. In this instance the expenses shall be charged to the residence headquarters at the time of retirement.

23.12 Return to Residence Headquarters on Permanent Transfer

An employee permanently transferred to a new residence headquarters will be reimbursed for expenses incurred in returning to his/her old residence headquarters once each week until he/she moves his/her family to the new location. The maximum period of entitlement will be four months from the date of transfer to the new residence headquarters unless extension is authorized by the appropriate director.

Entitlement shall cease when the employee moves his/her family to the new location.

All travel time associated with the return to residence headquarters will be outside the employee's scheduled hours of work.

The employee will not be entitled to claim payment for travel time.

23.13 Conditions of Return Trip

The return trips mentioned in Section 23.12, will be granted subject to the following conditions:

23.13.1 Scheduling of Trips

Return trips to residence headquarters shall be made at times when service or apparatus will not be jeopardized thereby except in case of emergency such as illness in the family or other matters highly important to an employee.

The Company will schedule the trip to meet the needs of the majority concerned or by mutual agreement where the work of some employees is dependent on the assistance or presence of other employees.

23.13.2 Use of Company Vehicles

The round trip to residence headquarters must be made within the scheduled non-working period. It must be made in a Company vehicle whenever the services of a suitable vehicle are available.

When a suitable Company vehicle is available, employees who do not avail themselves of these facilities will not be reimbursed for transportation expenses. Those who remain at the temporary work headquarters will be treated as if they were at residence headquarters.

When transportation by Company vehicle is not provided, the equivalent of public transportation costs or the standard kilometre allowance, whichever is lesser, will be authorized by his/her supervisor for an employee who chooses to use his/her own car instead of public transportation for himself/herself alone or for carrying other employees as passengers.

23.14 Alternative to Return to Residence Headquarters

The Company will consider paying travelling costs up to a maximum of the costs to residence headquarters when an employee wishes to go to some other location for personal reasons such as to join his/her family who are vacationing.

23.15 Board and Lodging

23.15.1 General

The payment or nonpayment of board and lodging (or living-out allowance in lieu thereof) shall be predicated on separation or non-separation from the employee's Residence Headquarters as defined in Part 'A' Item 18.0.

NOTE

No free board and lodging shall be given to employees while they are located in their residence headquarters except where camp facilities are provided.

When Applicable: Board and lodging allowance is only applicable when the employee is absent from residence headquarters for more than one month.

For periods of time up to one month, the employee is entitled to submit an expense report for actual expense incurred.

23.15.2 Rate of Allowance

The board and lodging allowance shall be \$45.00 per day.

Statutory Holidays and Vacation: Board and lodging will be allowed for statutory holidays.

During annual vacation period, lodging expenses only will be allowed, whenever it is necessary for the employee to retain this lodging for use after vacation, and approval has been obtained from the department head.

NOTE

If, under certain circumstances and local conditions, the standard rate is considered inadequate, and it would result in undue hardship to the employee, a higher weekly limit, commensurate with existing conditions, may be set with the approval of the vice-president or the general manager concerned. In this case, the request must be supported by vouchers.

23.15.3 Absence from Residence Headquarters

Board and lodging shall be supplied without charge if the employee is living in Company-operated quarters.

Employees are eligible to claim \$20.00 in compensation for laundry and long distance telephone calls home when away from their normal headquarters for three consecutive days or more in a week, in addition to actual expenses claimed or any board and lodging allowance received due to a change in residence headquarters in accordance with 23.16.

23.16 Change of Headquarters

23.16.1 Regular Employees – Householders

A regular employee shall be paid expenses up to a maximum period of four months as follows:

Actual expenses for up to one month from the date of actual transfer to the new location, and thereafter the standard board and lodging allowance until the time the household is moved to the new location.

NOTE

Such an employee must be a householder and entitled to the payment of expenses as outlined in Part 'A' Item 23.0.

Extension of Allowance: Payment of any allowance beyond the period of four months must be authorized by the appropriate director.

Eligible Employees: Payment of this allowance will be made only to an employee who indicates an intention to move to the new location.

If the employee fails to move within the time limit, any cash allowance paid in lieu of board allowance shall be recovered by the Company unless the reasons for not moving were beyond the control of the employee and/or the employee actually did board in the new location during this period.

23.16.2 Non-householders

An employee who is a non-householder shall be permitted actual expenses to a maximum of up to one month, after which no allowance will be made.

23.17 Apprentices

If transferred to a new headquarters upon completion of the training course, the apprentice shall receive allowances as provided for a non-householder in Section 23.16.2.

24.0 PROMOTIONS

Promotion means a change to a new job which carries a higher maximum salary schedule rate (base rate) or a higher salary grade resulting from an increase in job demands and responsibilities within a job. (See also definition in Article 10.1.5 (C))

24.1 Part D (Weekly Salaried)

24.1.1 Promotion Rule

Object: The object of the rule is to ensure, on promotion, an increase in salary to compensate for an increase in job demands and responsibilities.

1. On promotion, the employee's rate is to be set at the lowest progression step (in the salary grade for the job) which will give a minimum increase of three percent (3%) above the employee's existing basic rate.
2. In the case of single grade promotions (or the equivalent under Pay Equity) the following will apply:
 - If at step 1 of the current grade, go to step 1 of the next grade.
 - If at step 2 of the current grade, go to step 1 of the next grade.
 - If at step 3 of the current grade, go to step 2 of the next grade.
3. In cases where 24.1.1(2) does not result in at least a three percent (3%) increase, a rate that reflects not less than a three percent

(3%) increase from their current rate will be paid. This interim rate will continue in effect until the next anniversary date at which time the employee will resume his/her place on the current salary schedule. This rate will be the next step in the salary grade which guarantees an increase of at least one and one half percent (1.5%) from the interim rate.

NOTE

An employee who is affected by such an “off-schedule” rate will be affected only once during his/her progression to the top step of his/her job. In no case will the rate be more than the maximum rate for the job grade.

24.1.2 Payment of the Salary Grade for the Job

On promotion, the employee will be placed directly in the salary grade for the job, except in training situations under the Clerical-Technical Plan (where an employee may be advanced gradually through the appropriate training job levels to the terminal job grade). He/she will be granted the progression step required by the promotion rule, except where a higher progression step is being granted for previous experience (Subsection 24.1.5).

24.1.3 Promotion from Hourly-Paid to Weekly-Salaried Jobs

The promotion rule applies in the case of an hourly-paid employee being promoted to a weekly-salaried job.

The rule does not apply in the case of a weekly-salaried employee being promoted to an hourly job.

24.1.4 Payroll Rates in Excess of Approved Job Grades

When an employee is being paid a special rate (such as results from restructuring of jobs, retrogression, implementation of new salary plan, or salary guarantee) which exceeds the appropriate rate for the job he/she holds, he/she should on promotion:

1. Continue to be paid the special rate, or
2. Be paid the progression step resulting from application of the promotion rule to the appropriate progression step in the approved grade of his/her former job, whichever is higher.

24.1.5 Previous Experience

Where an employee being promoted has had previous applicable experience in a higher level job but was demoted for reasons other than cause or inability, a higher progression step than is indicated by the promotion rule may be chosen by the Company.

24.1.6 Relief Situations

In relief situations where less than the normal duties are being performed and a lower salary grade has been established for the relief period, the promotion rule will be used to establish the appropriate progression step or off-schedule rate in the lower salary grade.

24.1.7 Progression Following Promotion

Progression dates shall be calculated from the date of appointment or promotion date to the position. Subsequent salary adjustments shall occur at 12-month intervals from the appointment or promotion date.

25.0 JOINT COMMITTEES

25.1 Joint Pension Committee

1. **Scope:** To monitor the administration and the financial status of the Pension Plan covering all plan members and to recommend changes as set out below:
2. **Personnel:** The “Joint Pension Committee” shall meet at least twice a year or as requested by either party and shall consist of the following members:
 - three PWU members
 - three Company management members

Each party will have the right to have a reasonable number of resource personnel attend the meeting.

The chair will rotate between Hydro One Inc. and PWU, one meeting each.

Every effort will be made to reach unanimous decisions. In the event that a unanimous decision cannot be reached, decisions will be by a vote of a majority of members representing both PWU and the Company.

3. **Function:** In an advisory capacity with access to the necessary information: (This is limited in that it does not apply in respect of information as to the service, salary, pension benefits or other personal information related to any specific person without that person’s prior consent.)

Pensions

- (a) Monitor Hydro One Inc.’s administration of the Pension Plan as established under associated regulations and rules, and applicable legislation.

- (b) Make recommendations respecting the administration of the Pension Plan.
- (c) Promote awareness and understanding of the Pension Plan on the part of Plan members.
- (d) Review the Company's approved annual financial statements and investment performance.
- (e) Review the Company's approved Actuarial Valuations of the Pension Plan and discuss the need for assumption changes.
- (f) Identify potential benefit changes and discuss cost and other implications. Committee recommendations for benefit level changes will be subject to ratification of the respective parent bodies.

Life Insurance

- (a) Review the financial position, premiums and taxable benefits of the life insurance provisions of the Plan.
- (b) Identify potential benefit changes and discuss cost and other implications. Committee recommendations for benefit level changes will be subject to ratification of the respective parent bodies.

25.2 Joint Health and Safety Consultation

The parties will consult regularly on corporate level employee health and safety matters. The following two joint committees will be established to facilitate this consultation.

25.2.1 Joint Health and Safety Policy Committee

The Joint Health and Safety Policy Committee provides a forum for the parties to consult regularly on corporate level employee health and safety matters.

1. Goal

To participate in the formation of health and safety strategy and policy by providing information and opinion from the Union to the Company's executive on employee health and safety.

2. Personnel

Two Management Representatives
 Two Power Workers' Union Representatives
 Two Society Representatives
 The Chair will rotate between Management, Society and Power Workers' Union

3. Function

- (a) Identify problems and issues of Company significance which have not been resolved in the Joint Health and Safety Working Committee.
- (b) Review proposed initiatives and advise the corporate executive.
- (c) Provide direction/assignment/scope of project initiatives to the working committee or adhoc committees for execution.
- (d) Evaluate existing policy and advise the corporate executive on recommended changes. This function applies particularly to safety rules and work protection code.
- (e) Develop Joint Policies on Health and Safety
 - i) Authority to Stop Work
- (f) The committee will meet two times per year or as mutually agreed.

25.2.2 Joint Health and Safety Working Committee

The Joint Health and Safety Working Committee represent Management, Society and PWU members within Hydro One.

1. Goal

- (a) Provide recommendations to assist the Health and Safety Division in the development, promotion, implementation and evaluation of Hydro One employee health and safety policy and programs.

2. Personnel

Three Management Representatives
Three Power Worker Representatives
Three Society Representatives
The Chair will rotate between Management, Society and Power Workers Union.

3. Function

- (a) Participate in the identification of problems and issues of Company significance in employee health and safety policy and practice.

- (b) Participate in the development, promotion and implementation of Company health and safety programs.
- (c) Study, develop and make recommendations for changes to the corporate safety rules and work protection code. This function can be delegated to an ad hoc group.
- (d) The committee will normally attempt to resolve issues of mutual interest before seeking intervention by senior management or the Joint Committee on Health and Safety.
- (e) The committee will meet quarterly or as mutually agreed.

25.3 Joint Trades Classification Committee

A joint committee shall be established on the following basis:

1. **Name:** Joint Trades Classification Committee.
2. **Personnel:** Maximum of three appointees from each party.
3. **Function:** To study and formulate descriptions and duties of all hourly-rated and weekly-rated trade classifications on wage schedules 24, 25, 27, 31, and 32, presently not included in Mid-Term Agreement MT-4, but not to produce a job evaluation or ranking system.

The committee will commence its work within one month after the settling of the 1972 Collective Agreement and shall meet regularly until the task is completed.

4. **Limits of Authority:** The committee shall work within the recommendations, preamble and occupational format agreed to previously.

The results of this committee's activity shall be subject to acceptance and ratification by the Union and the Company at the negotiating level.

5. A copy of all occupational definitions will be made available to each employee through his/her contact supervisor.
6. The Joint Trades Classification Committee shall ensure that duties for trades jobs are defined. Their focus will be on the development of documents describing job duties, and will not consider or establish compensation for these jobs. There is a need for direct line management involvement to determine current and future duties. The Committee should also work towards developing a system which will allow definitions/documents to be produced quickly and easily to facilitate responsiveness to changing needs.

25.4 Joint Diversity Committee

1. **Objectives:** (a) To provide a joint forum for work on Corporate Employment Equity, Human Rights and Diversity policies, and/or associated Corporate issues. (b) To participate in making and bringing forward recommendations and providing advice to the Vice-President, Corporate Human Resources on Corporate policies and plans impacting on equity in the workplace and Corporate issues arising from the Employment Systems Review. (c) To participate in making and bringing forward recommendations to the PWU Executive on equity issues in the workplace which fall within their jurisdiction.
2. **Personnel:** The committee will be structured to provide two Company representatives and two Union representatives. Each party is entitled to one alternate.
3. **Function:**
 - 3.1 Meet and exchange information regularly to ensure that the committee is informed of progress on initiatives undertaken by the Corporation and the Union. Each party will identify and bring forward emerging Corporate issues for discussion.
 - 3.2 The committee will work together to formulate recommendations by:
 - (a) Working to meet the work program deliverables as identified below within required timelines.
 - (b) Discussing options and their impacts in meeting the work program deliverables (including obtaining input through consultative forums – see below).
 - (c) Attempting to agree on recommendations acceptable to all parties and for delivery to the Vice-President, Human Resources and/or the PWU Executive where appropriate.
 - 3.3 Where agreement cannot be achieved, each party will communicate expeditiously their position to the Vice-President, Human Resources before Corporate decisions are made.
4. **Work Program** – to be established annually.

5. **Responsibilities:**

- 5.1 **Consultative Forum** – To provide input to the committee on work program deliverables as follows:
- (a) Management members will ensure input is received from line management and non-represented staff members.
 - (b) The Union members will ensure input is received from their constituencies.
 - (c) The committee will also seek input from advocacy groups and designated group members on issues as required.
- 5.2 **Support Resources** – Committee to determine needs (administrative, research, preparation, etc.) and arrange as required. Treatment will be as per the collective agreement.
- 5.3 Management is responsible for time and expenses, except for union staff time, associated with the work program of this team.
- 5.4 At the end of each year, the parties will review the Terms of Reference and make recommendations for the coming year.

25.5 **EHB/WSIB/LTD Committee**

The Committee would be comprised of:

Power Workers' Union
Health Services & *Rehabilitation*
Compensation and Benefits Department

- A. To review existing and future LTD applications to ensure they are receiving the required medical attention and the possibility of returning them to the workforce.

Terms of Reference:

- 1.0 Develop a questionnaire for employees not in receipt of CPP disability.
- 2.0 Review returned questionnaires to determine if any employees can be placed on immediate vocational rehabilitation.
- 3.0 Determine if an independent medical evaluation is required before attempting vocational rehabilitation.
- 4.0 Review existing procedure for LTD applications.

- 5.0 Develop a roster of physicians to use in the process.
- 6.0 Forward recommendations for process improvements to Director, Compensation and Benefits/Chief Physician.
- B. Review/Update – To meet, on a regular basis (e.g. semi-annually), to discuss and/or resolve issues associated with the following processes:
- (a) Long Term Disability
 - (b) WSIB
 - (c) Sick Leave
 - (d) Drug Formulary

25.6 Joint Employee and Family Assistance Committee

1. **Goal:** Provide recommendations to assist the Company and the Union in the development, implementation and evaluation of employee and family assistance policy and programs.
2. **Personnel:**
- (a) Chair: The Chair shall rotate on a yearly basis.
 - (b) Members:
 - Representative from the Company
 - Two (2) PWU representatives and one staff advisor.
 - (c) Secretary: The secretary shall be supplied by the Company.
3. **Function:**
- 3.1 Participate in the identification of problems and issues of significance in employee and family assistance policy and practices.
 - 3.2 Participate in the development, promotion and implementation of employee and family assistance programs throughout the province.
 - 3.3 On an ongoing basis study, develop and make recommendations for change to the Company employee and family assistance program. This function can be delegated to the sub-committee by mutual agreement.
 - 3.4 The committee will normally attempt to resolve issues of mutual interest before seeking intervention by the Senior Joint Union/Management Committee.

25.7 Controller/Dispatcher Consultative Committee

The Controller/Dispatcher Consultative Committee, established in 1954, shall continue to act under the following terms:

1. Personnel:

Maximum of three appointees from each party.

2. Function:

To act as a liaison between the Company and the employees in the field for the purpose of exchanging information relating to changing conditions as they affect controller/dispatchers.

To discuss mutual operating problems of a general nature which arise from time to time.

Any program developed by the Company to establish standards of qualifications for operating positions will be a matter of Union advisement as to progress and discussion.

The committee may be convened at approximately three-month intervals to deal with agenda submitted by either the Union or the Company and acceptable to both parties as being within the scope of the committee's function.

3. Limits of Authority:

It is understood that this committee will meet to discuss general operating problems of common interest to the Union and the Company and shall not have bargaining power or authority to amend existing policy, or interpret collective agreements. Any recommendations which arise as a result of discussions shall be presented separately to the Union and to the Company by their respective members.

26.0 DISTRIBUTION OF AGREEMENT AND WAGE SCHEDULES

This Agreement shall be printed as soon as practicable after the date of signing and made available by the Company to the Union in sufficient quantities for distribution to its membership.

27.0 TIME CHARGES – UNION ACTIVITIES

27.1 Time Charges and Expenses – Union Representatives

Time off and expenses for Union officers will be granted in accordance with Mid-Term Agreement MT-3.

27.2 Time Charges for Employees On Union Business

When the time of employees on Union business is payable by the Union, such time shall be charged at normal rates of pay. The normal payroll burden without the administration charge of ten percent (10%) will be applicable only for Union releases in excess of five consecutive days.

27.3 Roles and Responsibilities of Chief Stewards

As Hydro One Inc. evolves into the new regulated and competitive marketplaces, it is important that the Company leverages its position by defining as clearly as possible Principles to anchor the relationship between the elected PWU representatives and Management.

(i.) Mutual Recognition of Respective Roles and Responsibilities

- A recognition that the Chief Stewards provide an important role in the success of the Company.
- A recognition that Chief Stewards are Hydro One employees as well as PWU representatives.
- As time away from the job increases, loss of skills may be an issue. As such, the Company will provide reasonable re-training to replenish these skills.
- It is recognized that there will be differences between the Parties. In these cases, respective opinions can be expressed, however, they should be communicated in a professional manner.

(ii.) Chief Stewards are accountable for their time.

- It is understood that Chief Stewards will be required to be away from their Company job.
- Time away from the job will be dependent upon the Chief Stewards' specific issues, number of committees, size of membership, geographical factors, etc.
- Chief Stewards have an identified supervisor. As in any employee-supervisory relationships, the Chief Steward will advise their supervisor as to what activities they will be involved in, in generic terms (some issues are confidential). They will have vacation days approved and sick days reported.
- Chief Stewards should schedule their PWU activities with consideration for their Company job. Any unallocated time will be spent performing their Company job.

(iii.) Chief Stewards play an important role in Communication.

- Where feasible, joint communications are encouraged for initiatives that affect PWU employees.

- Joint training is encouraged in roll-out initiatives that impact PWU employees (e.g. Gainsharing, collective bargaining roll-out).
- Consistent messages are important.
- There will be a need to review these principles.

28.0 EYE PROTECTION

Approved eye protection shall be supplied to individual prescription to all employees who normally wear glasses and are required to wear eye protection for an appreciable amount of time in the performance of their duties.

29.0 PERSONAL TOOLS

29.1 General

Employees in trade categories and designated weekly-salaried categories will provide at their own expense, the ordinary hand tools of the trade. These tools are listed in the appropriate occupational definition/job document and must be of at least industrial quality, which permits employees to perform their work safely, efficiently and to the standard ordinarily demanded in any given trade. (Owing to the marked differences in the nature of work performed by employees who are classified in the same trade category, it is unreasonable to expect a tradesperson to possess or have on the job, every tool listed for his/her trade. Learners and Improvers must acquire any of the tools listed as and when his/her work demands their use. Employees are encouraged to buy tools which carry a lifetime guarantee.) Tools which are required for equipment of special types, which are peculiar to certain locations as well as tools that fall in the class of shop equipment, will be supplied and maintained by the Company. These, and similar types of tools, have been purposely omitted from the lists.

29.2 Tool Replacement/Upgrading

Each employee, as described in 30.1, 29.1 will be allowed 8% of the personal tool list retail price calculation per calendar year for tool replacement or upgrading (metric tools included as upgrades) based on his own tool list as defined in the Occupational Definition. A minimum allowance of \$50.00 per year for each employee in each classification is available. For those entitled to the minimum allowance of \$50.00, the unused portion for one year may be carried forward to the following year to a maximum of \$50.00.

To qualify for any reimbursement receipts must be accumulated and submitted for amounts in excess of \$50.00. For amounts of less than \$50.00 these receipts should be submitted at the end of the year.

29.3 Loss by Fire or Theft

Personal tools which are stolen, are destroyed or damaged by fire to an extent which renders them unusable, will be replaced by the Company.

These losses must be incurred in the exercise of Company business and on Company property, except where they occur on or at non-Company locations in the exercise of Company business. Small or inconsequential losses would be recovered through 29.2 30.2.

30.0 SPECIAL CLOTHING FOR EMPLOYEES

30.1 General Policy Regarding Work Clothing

Except where provided by the Company in accordance with this Collective Agreement, employees must provide at their own expense suitable clothing for the performance of their regular duties. In general, clothing must be suitable for the safe and efficient performance of the work but need not be uniform in appearance.

So far as is consistent with standard stores' policy, the Company will purchase certain types of work clothing in bulk for resale on the most favourable terms possible to employees requiring them in connection with Company work.

30.2 Special Clothing That May Be Provided at Company Expense

Subject to certain conditions outlined herein, special clothing may be obtained at the expense of the Company for issuance to employees under the following conditions:

30.2.1 Where Uniform Appearance is Required

Where uniform appearance is required by the Company as in the case of certain receptionists, guides, messengers, drivers, and security guards uniforms will be provided.

30.2.2 For Work Outside of the Employee's Regular Routine Duties

A limited number of rainproof coats and hats may be obtained and kept available at construction headquarters, attended stations, etc., for persons who normally work indoors but who are occasionally required to work out of doors under adverse weather conditions, as for example when working during emergencies, operating switches, cleaning racks, etc.

Clothing supplied at stations should be limited to one or two coats and hats, depending upon the number of employees.

30.2.3 For Normal Work Which Must be Performed Occasionally, Under Extreme Conditions

Hip or knee length rubber boots and weatherproof coats and hats may be obtained and issued temporarily to construction workers, maintenance workers, and labourers when required to work in extremely wet locations or under adverse weather conditions.

One or two rainproof coats and hats, depending upon the number of employees involved, may be provided for each line, forestry and maintenance truck or gang for use in emergencies when workers could not be reasonably expected to have protective clothing available at all times.

30.2.4 For Work Involving Exposure to Materials that are Injurious to Health and Particularly Destructive of Clothing

Rubber boots, aprons and gloves of an approved material may be provided for employees when handling acids for batteries, cleaning transformer coils or for other work which is similarly destructive of clothing.

Aprons, gloves and sleeves made of plastic, plastic-coated or other approved material may be provided for employees who are required to handle creosote, creosoted poles or timber as a protection against burns or damage to clothing.

Protective clothing such as coveralls, gloves and rubber boots may be provided for temporary issuance to employees for use when applying herbicides.

Because of the fire hazard in welding and the destructive nature of the work, welders' aprons, armlets and gauntlets may be provided.

30.2.5 To Promote Safety

Safety headgear, eye protection, rubber gloves (electrical), and similar items which are designed exclusively for the safety of employees and the wearing of which is made obligatory on certain types of work, will be provided by the Company.

Special footwear will be provided for the safety of workers when required to work near forebays, sluices, etc., under icy, slippery or otherwise hazardous conditions.

Safety Footwear and Clothing:

- I Effective January 1, 2001, employees who are required by the Company to wear safety footwear (CSA Approved ESR)/ clothing will be reimbursed as follows:
- (A) For those employees required to regularly wear climbing spurs or who are regularly required to climb steel structures as part of their normal duties – \$375.00 per year.
 - (B) For those employees who choose or are required to wear CSA approved ESR protective footwear – \$250.00 per year.
 - (C) For those employees who choose not to wear approved ESR protective footwear – \$150.00 per year.

- (D) Employees who qualify shall receive 50% of the above payment on March 1st and the remaining 50% of the payment on October 1st.

II Employees who are not required to wear protective footwear:

Employees who purchase safety footwear will be reimbursed thirty-three and one-third percent (33-1/3%) of the actual cost up to a maximum reimbursement of \$20.00 per pair subject to the approval of the appropriate manager or supervisor.

NOTE

Temporary employees will be reimbursed for a maximum of one pair in each six-month period.

A limit of two pairs of safety shoes or boots per person will be subsidized in a calendar year.

These actual cost maximums include applicable taxes.

III Refer to Mid-Term Agreement MT-61 for payments associated with Flame and Arc Resistant Clothing.

30.2.6 Special Conditions

Requests for items of clothing not mentioned but which might be reasonably supplied under the conditions set forth herein will be considered, each case on its own merits.

30.3 Issuance, Care of, and Responsibility for Clothing Provided by the Company

In order that the use obtained from clothing purchased by the Company may justify the expenditure, the following shall be carefully observed:

1. Except in isolated cases, special clothing must not be issued to any one employee for exclusive use but must be kept available for any employee who may require it for Company purposes mentioned herein.
2. When no longer required on the job, clothing must be promptly returned to local headquarters, station or truck where it will be readily available when required.
3. All clothing furnished by the Company will remain the property of the Company and must be clearly and prominently marked for easy identification.

4. Where loss or destruction of Company clothing issued to an employee occurs as a result of carelessness on the part of the employee, the employee will be required to make good such loss.

30.4 Part B Employees (Maintenance Trades)

30.4.1 Issue of Gloves to Tradespersons

The Company will issue gloves to regional maintainer – lines, regional maintainer – forestry, SMD riggers, mechanical maintenance and building maintenance crews and all associated personnel regularly working with these crews, subject to the following:

1. The employee will be required to purchase the first pair of gloves, whether summer or winter type, providing he/she has not already been participating.
2. The issue of new gloves will be controlled by the supervisor.
3. A pair of worn-out gloves may be exchanged for a new pair.
4. The Union will exercise its influence to promote economy in the operation of this plan.

30.4.2 Uniforms

The Company shall supply uniforms, where they are required to be worn, at no cost to the employee.

30.4.3 Stocking of Overalls and Associated Smocks

The Company will stock bib-type overalls, coveralls and associated smocks in Central Stores which will be available for purchase by employees on the basis of a cash sale.

30.4.4 Work Clothing

Automotive Trades and Painters: The Company will pay for laundry service to clean coveralls. Responsibility for ensuring proper use of the privilege will rest with the Union.

The plan is as follows:

1. Coveralls will be provided by the tradespersons.
2. One pair of coveralls per employee per week will be laundered.
3. The trades covered by this service are:
 - (a) Automotive Trades – auto, truck diesel or industrial equipment mechanics, body and metal mechanics, tire

serviceworkers, painters, radiator repairworkers, battery rebuilders, lubricators, undercoaters, steam cleaners, washers.

- (b) Trade Group III – painters.

Forestry Spray Crews: Forestry spray crews shall , during the period of spraying operations, be with supplied laundered coveralls or other suitable clothing on a weekly basis or more frequently as may be required. Arrangements shall also be made to provide adequate washing facilities.

30.4.4.1 Laundering and/or Supplying Clothing

In situations other than those covered in the preceding subsections, when the supervisor in charge of a work crew deems a specific job dirty for the particular trade function, he/she shall either:

1. Authorize laundering of the employee's work clothing, or
2. Issue coveralls or other suitable clothing during the period in which this job is being performed.

30.4.4.2 Coveralls – Central Services Division

The provisions of this item supersede the conditions as noted in Item 30.4.4.1 and applies only to employees, paid from Wage Schedules 25 and 27, who form part of the Central Services Division and are located at the Hydro One Inc. Kipling Complex.

The Company agrees to supply and launder two (2) pairs of coveralls per week for each of the above-noted employees. The employee must exercise reasonable care in the use of clothing so supplied.

It is recognized that reasonable but limited quantity and size range of spare coveralls will be kept available for emergencies.

31.0 PURCHASING PRIVILEGES – SURPLUS EQUIPMENT STORES

Employees shall have purchasing privileges at Surplus Equipment and Material Stores to the same limit as extended to the general public.

32.0 RETURN OF COMPANY PROPERTY

It is agreed that employees whose employment terminates with the Company shall be responsible for the return of any Company property issued to them during the term of their employment. Failure to return such property shall result in the Company deducting its current value from any monies owing to the employees.

33.0 TIME CHANGE – SHIFT WORKERS

When the clocks are changed due to daylight saving time, the following principles will apply:

1. Employees who are scheduled to work during the affected hours will work a shift which is either shortened or extended by one hour.
2. Payment for the shortened or extended shift will not be calculated on the basis of actual hours worked, rather will be based on the number of hours normally worked (eight or twelve).

34.0 REST PERIODS

Each employee shall be entitled to a 10 minute rest period in the first half and second half of each scheduled work day at a time designated by the Company.

35.0 BI-WEEKLY PAY DAYS

1. Salaries and wages of all employees throughout the Company covered by this Agreement shall be once every week on the third Thursday following completion of the pay period, effective with the implementation of bi-weekly pay, once every two weeks. This payment will be by direct deposit to one account designated by the employee in a Canadian financial institution with a Canadian Payment Association (CPA) serviceability code of 1 or 2. (CPA serviceability code definitions in effect June 5, 1991 or subsequent code numbers providing equivalent accessibility). The Company is responsible for the cost of depositing these funds to the employee's account.

The implementation of direct deposit pay will be phased in for PWU members. It is the responsibility of the employee to inform the Company of any changes to the designated account 14 days in advance of the payment date. Any errors in employee payment that result from employee provision of incorrect account information or the late provision of changed account information are solely the responsibility of the employee.

2. Existing employees who were paid the equivalent of one week's base pay during the transition from weekly pay to weekly direct deposit pay will have the amount of this one week payment deducted from their final payment of salaries and wages from the Company (i.e., termination, retirement, etc.)

36.0 BANKING OF REDUCED HOURS OF WORK DAYS AND VACATION DAYS TO BE UTILIZED IMMEDIATELY PRIOR TO RETIREMENT

1. Employees who have earned time off under Part A Item 16.0 (Reduced Hours of Work for Employees Whose Normal Hours of Work are 40 Per Week) shall be eligible to bank up to 6.5 days per year to be utilized immediately prior to retirement.
2. Employees who are eligible for 25 days or greater vacation shall be eligible to bank up to 6.5 days per year to be utilized immediately prior to retirement.
3. The sum of days banked under items 1 and 2 above shall not exceed 6.5 days per year. Employees are eligible to bank a maximum of 30 weeks (150 days).
4. Employees must provide a minimum four months notice to schedule these dates. The employee will retire once these days have been utilized.
5. These days are not eligible for cash payout except in circumstances beyond the employee's control (e.g. LTD, Death, W.S.I.B.).

37.0 SELF-FUNDED SABBATICALS

Definition

“Self-funded sabbaticals” means an approved arrangement where an employee works regularly scheduled hours while receiving eighty percent (80%) of his/her base salary for each of four years. In the fifth year, the employee is granted a leave of absence for one year, funded by the accumulated deferred pay.

Approvals

Hydro One will approve an employee's application for a self funded sabbatical where it determines that this arrangement will benefit the business and can be accommodated without adversely impacting the viability of his/her work unit.

Terms and Conditions of Self-funded Sabbaticals

The Salary holdback (i.e. twenty percent for four years) will be kept in a special account and interest will be paid annually at an appropriate rate fixed by Hydro One.

During the leave of absence (i.e. the fifth year):

- *The employee may not be declared surplus.*
- *The employee is responsible for his/her health and dental benefits and shall be given the option of continuing coverage under the Hydro One plan through pre-payment.*
- *The employee's entitlement to group life, living benefit and spousal life insurance benefits shall continue pursuant to Part A, Item 14.0.*
- *Hydro One shall pay the sum accumulated in the trust to the participating employee in a lump sum or in regular installments.*

As a condition of approving a self-funded sabbatical arrangement, Hydro One may require the participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed the length of the leave (i.e. maximum one year).

Treatment of Employee Upon Return from Leave

Upon completion of the leave the employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full (i.e. 100%) base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service, as the case may be.

Upon completion of the leave, where the employee's pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.

Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.

In the event Article 11 is triggered during or upon completion of the leave, subject to the other provisions in this Article, the participating employee will be redeployed in accordance with that Article.

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PART B
MAINTENANCE TRADES

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**PART B
MAINTENANCE TRADES**

Specific Matters of Agreement

1.0 WAGES

Wage rates shall be in accordance with the wage schedules which are part of this Agreement.

2.0 STANDBY, SERVICE DUTY AND ON CALL

Employees may be placed, as required, outside of their regular working hours on any one of three types of special duty, depending on the nature of the anticipated work and the extent to which their freedom must be restricted, as follows:

2.1 Standby

Employees on standby shall remain at a specified point from which they shall be ready to proceed to their work location immediately upon receipt of instructions. Their freedom is restricted to the same degree as if they were being held at their regular work headquarters pending issuance of work instructions, and they are considered for all intents and purposes to be already on the job.

Any employee of the Company may be required to perform this type of service, for which payment will be made at the rate appropriate to the particular situation.

2.2 Service Duty

The work of employees on service duty is generally but not necessarily always confined to that of maintaining service to customers of areas, maintaining transmission circuits.

There are two types of service duty, namely, telephone answering service and trouble call service.

Telephone Answering Service: Telephone answering service applies to an employee who is required to remain available outside of normal office hours for the specific purpose of answering telephone calls in connection with customer service trouble, and to report this trouble to the appropriately delegated person(s). Where this type of service is required, it is allocated on a weekly basis and for each particular location must be equitably rotated among all suitably qualified members of the line staff, exclusive of non-working supervisors, except in cases when such personnel are not available. Under these circumstances, it shall be the Company's prerogative to detail any employees for service as required. Except in cases

of emergency an employee on telephone answering service duty shall not leave his/her telephone to perform other work.

Trouble Call Service: Trouble call service is that performed by an employee who is required to hold himself/herself readily available within a reasonable length of time outside of normally scheduled hours for dispatch to trouble clearing work generally. When required, one or more employees shall be delegated per area to trouble call service, on a weekly or weekend basis. Work so delegated in areas will be equitably rotated among all suitably qualified members of the line staff, exclusive of non-working supervisors. In addition to those delegated to trouble call service duty on a weekly basis, it may be found desirable from time to time to augment the number on trouble call service by additional delegation for periods of one day or more. When such action is necessary, employees will only be required to accept such duty against their wishes if sufficient volunteers cannot be obtained.

Special Hours of Work Provision (Lines):

Between May 1st and October 31st the employees referred to above in the Trouble Call Service provision may, with seven (7) days notice, have their hours of work established as follows:

- I. 12:00 hours to 20:00 hours Monday to Friday or,
- II. by mutual local agreement, 10:00 hours to 20:00 hours Monday to Thursday.

Such hours will be equitably rotated among all qualified employees, as per their on-call schedule.

These employees will not be required to work more than one (1) rotation of these hours in a four (4) week period.

These employees will eat on the job in the minimum amount of time. Such time will not be deducted from the employees' pay.

These employees will receive two (2) times the payment for service duty as described in Part 'B', Item 2.2.

These employees may be assigned work other than the trouble clearing work they normally perform. All hours worked outside of the 12:00 hours to 20:00 hours or the 10:00 hours to 20:00 hours will be compensated at two (2) times their base hourly rate.

Payment for Service Duty: The rate of pay for service duty of both types to be computed one half (1/2) hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. This rate includes

payment for the use of the employee's telephone. An employee required to report for work while on trouble call, service duty shall be paid for his/her working time in accordance with the standard regulations governing overtime work, including the regulation governing work performed on a "short-call" basis.

2.3 On Call

On call is the term used to cover trouble call service performed by station maintenance personnel, Customer Service Representatives I, Customer Service Representatives, Cable Crew Trades Staff, and hourly rated mechanics and electricians in the Operation and Maintenance Section of the Workplace Services Division who, because of their limited numbers and the resultant increased frequency with which they are required to perform service duty, are allowed up to a maximum of two hours between the time they are called and the time when they report for work. In all other respects, including rates of payment, on-call and trouble call service are identical.

Subject to safe application, volunteers from Station Maintenance will be requested prior to the mandatory assignment of on call. Hourly rated mechanics and electricians in the Operation and Maintenance Section of the Workplace Services Division and Cable Crew Trades Staff will be assigned to on-call duty only if sufficient volunteers cannot be obtained. On-call duty by Customer Service Representatives I and Customer Service Representatives will be on a purely voluntary, individual basis.

2.4 When an employee is on service duty or on call a paging device will be supplied where such service is available and experience in that area has proven it will provide a reliable service.

3.0 TRAVELLING TIME TO AND FROM THE JOB

Hourly-rated employees shall travel from their headquarters to and from the job on Company time. The word "headquarters" shall be for the purpose of this item "where the employee normally reports for work".

4.0 HEADQUARTERS

Headquarters, as referred to herein, means the building or point designated by the Company at which the employees are expected to report for work or to assemble for preparation for leaving for work at outside points. Employees moving from point to point, as in the case of regional maintainers – lines and forestry, may have temporary headquarters established at some hotel or boarding place or some garage at which the truck is kept and at which the employees are to assemble.

5.0 WELDERS

Welders who hold welder "A" certificates issued by the Company and who hold an identification card issued by the Ontario Ministry of Consumer and Commercial Relations and who are required to perform first class work shall be classified as welder "A" in group 01 of wage schedule for tradespersons. Welders who do not meet the requirements of welder "A" shall be classified as welder "B" in group 02 of wage schedule for tradespersons.

6.0 MARINE VESSELS

During normal scheduled hours, if an employee is called upon to operate a boat 7.92 m (26 feet) in length or more, he/she shall be paid the Boat Operator rate for 8 hours.

7.0 CARPENTER SPECIAL

Carpenters performing duties requiring a higher skill than those normally required of a journeyman carpenter such as cabinet making, model making, or the fabrication of scroll cases, will be classified as journeyman "AA" of trade group 02.

8.0 TRUCK DRIVERS' CLASSIFICATION

- Class I – Operates any vehicle or combination of vehicle and trailer with a Gross Vehicle Weight (GVW) of greater than 28,000 pounds (12,700 kg)
- Class II – Operates any vehicle or combination of vehicle and trailer with a GVW of greater than 9,000 pounds (4,082 kg) but not greater than 28,000 pounds (12,700 kg)

NOTE

Any Class II vehicle equipped with a hydraulic radial boom derrick or hydraulically operated articulated or telescopic aerial devices will be classified as Class I.

- Class III – Operates any vehicle or combination of vehicle and trailer with a GVW of greater than 5,000 pounds (2,268 kg) but not greater than 9,000 pounds (4,082 kg).

NOTE

Any Class III vehicle with a snowplow installed on it will be classified as Class II.

8.1 Truck Driver Classification Vacancies

In filling class I truck driver vacancies, the most senior class II truck driver in that region will be given the first opportunity.

In filling class II truck driver vacancies, the most senior class III truck driver in that area will be given the first opportunity.

Replacement of a vehicle by one of a different class or modifications due to the addition or removal of equipment which affects the truck classification shall not be deemed to create a vacancy or a surplus. When such replacement requires a change in the classification of the driver, the driver position shall be filled as follows:

1. When the position is upgraded, the most senior truck driver in the next lower classification in the area will be given the first opportunity, on a probationary basis, to reach an acceptable level of performance.
2. When the position is downgraded, the most junior truck driver in the classification affected, in the area, will be downgraded.

9.0 JOURNEYPERSON "AA"

A journeyperson tradesperson who is required to work at another trade requiring skills of a level equal to or greater than his/her own trade shall be entitled to journeyperson 'AA' rating for a minimum of eight hours.

If a journeyperson tradesperson receives the journeyperson 'AA' rate for any part of a day during 40 days or more in any calendar year, he/she will be appointed and paid as a journeyperson 'AA' for that entire calendar year.

If the journeyperson 'AA' rate is paid for more than 50% of a calendar year to the members of a crew, for a specific trade, one of the members of the crew will be appointed and paid as a journeyperson 'AA' for that entire calendar year.

Journeyperson "AA" will not be applicable to Regional Maintainer classifications.

10.0 APPRENTICES

Upon completion of their learner apprenticeship training, apprentices shall be entitled to all the benefits afforded a regular employee as outlined in Part 'A', Section 23.0.

11.0 CONTRACT MONITORING

Employees required to monitor the quantity, quality and/or safety of contractors work shall be paid five percent (5%) above the journeyperson rate of his/her trade. This rate will not be applicable to Regional Maintainer classifications.

12.0 SUPERVISORY RESPONSIBILITIES

Many factors are involved in trades supervision. The depth of involvement in these factors defines the level of supervision required. There are three levels of regular supervision within union jurisdiction. These are: union trades supervisor – level 3, union trades supervisor – level 2 and union trades supervisor – level 1. The responsibilities associated with each of these levels are set out in the “Trades Responsibilities and Supervisory Criteria” dated July 15, 1968, which is an appendix to this Agreement.

12.1 Tradesperson Responsibilities

A tradesperson is required to exercise judgment and control over his/her own actions so that the assigned work may be performed safely, efficiently, and effectively, and with consideration of its effect on others.

In a work situation, a journeyperson will be responsible only for his/her own work and the work and training of one apprentice or helper. However, for the purposes of training, a journeyperson may be required to teach trade skills of a specific task to more than one apprentice or journeyperson at one time. During such a teaching situation, the journeyperson is responsible, only, for the demonstration of trade skills and not for the work of the apprentices or journeyperson involved.

Related to the above, a “helper” is a person of lower classification than the tradesperson he/she is assisting; and “apprentice” is a person of lower classification than journeyperson progression in a trade.

12.2 Supervisory Responsibilities of a Union Trades Supervisor – Level 3

A union trades supervisor – level 3 supervises an assigned crew on specific jobs and does so for periods up to five days without face-to-face contact with his/her supervisor who will carry out the higher responsibilities of the job. Less frequent contact requires that the union trades supervisor – level 3 be paid at the appropriate supervisor rate. He/she performs physical work activities. This classification is paid at a rate which is eight percent (8%) above the journeyperson rate of his/her trade or eight percent (8%) above the journeyperson rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyperson “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.3 Supervisory Responsibilities of a Union Trades Supervisor – Level 2

A union trades supervisor – level 2 supervises staff on a continuing basis to carry out a given work program. He/she performs physical work activities. This classification is paid at a rate which is 17 percent (17%) above the journeyperson rate of his/her trade or 17 percent (17%) above the journeyperson rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyperson “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.4 Supervisory Responsibilities of a Union Trades Supervisor – Level 1

A union trades supervisor – level 1 performs the complete supervisory responsibilities over a trade staff. He/she performs physical work activities. This classification is paid at a rate which is 22 percent (22%) above the journeyperson rate of his/her trade or 22 percent (22%) above the journeyperson rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyperson “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.5 Supervisory Responsibilities of a Management Supervisor

A management supervisor’s responsibilities are of a supervisory nature as described in the Trades Responsibilities and Supervisory Criteria. Normally, they must not take the place of skilled workers. In the event that an emergency work condition arises, skilled help should be called in. However, where suitable skilled help is not available at the required time, supervisors are expected to perform whatever duties are necessary. The foregoing is not intended to prohibit the supervisor from using the tools of the trade for training purposes.

13.0 PAYMENT FOR TEMPORARY SUPERVISION

Overall supervision of a crew is provided by a supervisor and/or union trades supervisor – level 3 carrying out the appropriate responsibilities set out in 12.2 to 12.5. However, a crew may be assigned a task without a regular supervisor in attendance, in which case a temporary supervisor may be appointed. In such instances, any responsibility for supervision must be assigned, it cannot be assumed. When so assigned, the level of supervision to be performed and paid must be designated in accordance with Section 12.0, above.

Employees shall not be held accountable for more than journeyperson responsibilities that have not been assigned.

Where no regular supervisor is on a job the following shall apply:

1. Where a journeyperson is responsible for one helper or one apprentice, there shall be no payment for supervision.
2. Where two journeymen are working together and each is responsible for his/her own work, there shall be no payment for supervision. However, where a journeyman is held responsible for the work of another tradesperson, other than a helper, he/she shall be appointed and paid as a lead hand or union trades supervisor – level 3. A lead hand shall be paid for assigned responsibilities in excess of two hours per day, in which case he/she shall be paid five percent (5%) above the journeyman rate of his/her trade, or five percent (5%) above the journeyman rate of the highest trade supervised, whichever is greater, for a minimum of four hours, or the actual hours worked as a lead hand, whichever is greater. Lead hand responsibilities are as appended to the “Trades Responsibilities and Supervisory Criteria” document. Lead Hand rate will not be applicable to Regional Maintainer classifications.
3. Where a group of employees are working at a location on jobs which are independent of one another and planned by a supervisor so that no coordination of their activities is required, additional supervision will not be required.

Where the job is being performed by three or more employees, one of them shall be appointed and paid as a union trades supervisor – level 3 or level 2. In such cases if he/she supervises for more than two hours in a day he/she shall be paid the supervisor rate for a minimum of four hours or the actual hours he/she supervises, whichever is greater.

13.1 Schedule of Payment for Relief Supervision in an Established Position

The following schedule shows the rate to be paid for employees relieving a supervisor. The column figures represent the percentage to be paid above the basic journeyman rate.

Classification Performed			
Regular Classification	Level 3 Supervisor	Level 2 Union or Management Supervisor	Level 1 Union or Management Supervisor
Journeyman	8	17	22
Level 3 Supervisor		17	22
Level 2 Supervisor		17	22
Level 1 Supervisor			22

13.2 Payment for Supervision – Motorized Forestry Spray Operation

In the Company's motorized spraying operations, each work group, clearly separated, will be supervised by a qualified forestry tradesperson.

In all cases of such supervision, the concerned qualified forestry tradesperson shall be paid at least eight percent (8%) more than his/her existing rate, or of the rate of the highest tradesperson supervised, whichever is the greater.

13.3 Service Truck Supervision

1. When more than two employees constitute the work crew on a service truck, the person in charge shall be deemed to be providing supervision and shall be temporarily reclassified to the appropriate supervisory rate (union trades supervisor – level 3 or working supervisor).
2. Payment of a supervisory rate (union trades supervisor – level 3 or working supervisor) while in charge of a service truck will be based on the following:

If the total daily hours where supervision is provided are:

- (a) Less than one hour – no payment at supervisory rate.
- (b) One hour to four hours – four hours at the appropriate rate.
- (c) More than four hours – eight hours at the appropriate supervisory rate.

14.0 ADVERSE WEATHER

When in the Company's opinion the weather is unduly adverse, employees shall not normally be required to work outside and the following shall apply:

14.1 Regular Employees

Regular employees shall within normal scheduled hours be provided with inside work.

14.2 Regular-Seasonal Employees

Employees who have attained regular-seasonal status in accordance with Part 'A', Item 2.0, and continue to be employed on a seasonal basis shall be entitled to a half day's pay per day or pay for actual hours worked or held whichever is the greater, providing the employee reports for work.

14.3 Temporary Employees

Two hours' pay will be allowed when a temporary employee reports and is prepared to remain for two hours at his/her place of work and is prevented from working due to unduly adverse weather.

If a temporary employee is required to remain at his/her place of work longer than two hours, he/she shall be paid for all the time he/she is required to stay on the job.

15.0 POWERLINE GROUND ASSISTANTS, HANDYPERSONS AND LABOURERS PROHIBITED FROM CLIMBING

Powerline Ground Assistants, handypersons and labourers are prohibited from climbing poles, towers or structures used for transmitting electrical energy for the purpose of doing work which is properly the work of tradespersons.

This will not prohibit numbering poles or painting structures, which does not involve exposure to live equipment hazard.

16.0 MOBILE EQUIPMENT

The Company undertakes to continue the investigation of the problems connected with suitable mobile equipment for the transportation of employees and undertakes to get employees from headquarters to work and back without exposing them to undue physical danger and with reasonable protection from the weather.

17.0 REGIONAL MAINTAINER – ELECTRICAL TRAINING COURSE

Electrical tradespersons who are not specifically required to take the Regional Maintainer – Electrical Training Course may make application to attend and participate in the Conference and Training Facility portion of this course.

18.0 MEAL PROVISIONS

18.1 Conditions Governing Allowance for Meals

Recognizing the fact that employees are required to provide their own meals (except as in 18.2) the following conditions will apply:

1. The Company shall not require an employee to carry or provide more than one meal on a day when work is performed.
2. Wherever possible, supervisors shall notify employees who do not normally carry a lunch of the necessity to carry a lunch the following day.

3. If an employee is sent away from headquarters in an emergency without sufficient notice for him/her to provide and take his/her own lunch, the Company will pay the cost of the employee's noon day meal.
4. If an employee is required to continue working beyond a normal day, the Company will provide the employee's meal after two hours or more and every four hours thereafter while the employee continues working.
5. If an employee is required to work extended periods of overtime, Monday to Friday inclusive, the Company shall pay the cost of the employee's meal on approximately a four-hour interval basis.
6. If an employee is called out to work extended periods of overtime on Saturday, Sunday or statutory holidays without forewarning, the Company shall pay the cost of the employee's meal on approximately a four-hour interval basis. If forewarned, the employee shall carry or provide the first meal and the Company shall pay the cost of any further meals on approximately a four-hour interval basis.
7. When overtime has been scheduled in advance, a meal period will be allowed and no time will be paid for this period. When the overtime is not scheduled in advance, no time will be deducted if employees eat at the job site in a minimum of time.
8. In the conditions outlined in 3, 4, 5. and 6, the Company will either bring the meal to the employee or release him/her from duty long enough to secure and eat it. Where necessary, the Company will provide transportation for this purpose.
9. It is recognized that between the hours of midnight and normal starting time, it may not be feasible for the Company to provide a hot meal and the employee may not feel the need for one. In such cases, sandwiches and hot soup or a hot beverage shall be considered as fulfilling the requirement of a meal.

18.2 Winter Meal Provisions

In general, the winter months, for the purpose of this clause, shall cover the period of December 1st to March 31st for the areas south of the French River and the period November 1st to April 30th for areas north of the French River. However, if unseasonable weather is experienced any day during the two-week period immediately prior to the opening dates or subsequent to the closing dates, the supervisor in charge may, at his/her discretion, treat such days in the same manner as though they were included in the prescribed period.

During the winter months, if employees are required to work outdoors or in unheated buildings, subject to 3. hereunder, the Company will:

1. Provide means for carrying or storing the employee's lunches in some warm place and also provide where necessary, transportation for reaching some warm and suitable place for eating lunch. Such time involved in transportation both ways to be absorbed by the Company, thereby allowing the full meal period upon arrival, or
2. Supply or pay for a hot meal and provide transportation. The meal period's duration will be between the times of departure and re-arrival at the point of work and thus any time involved in transportation, both ways, is absorbed by the employee. Should the meal period be extended beyond its normal duration, any such excess will be absorbed by the employee by working equivalent overtime at straight time rates which will result in a total of normal daily hours of work and pay. This shall not preclude the providing of a meal when time involved is in excess of the normal meal period.
3. In some thinly-settled localities, there may be no warm place for storing or eating lunches, and no place where hot meals may be prepared within a reasonable distance from the point of work. Such conditions are beyond the Company's control and necessarily form part of the working conditions in that locality. In such cases, lunches must be carried but employees will eat on the job in a minimum period of time. Such time shall not be deducted and the conditions listed above do not apply.
4. Where it is mutually agreeable, employees will carry their lunch and will eat on the job in a minimum period of time. Where employees work in a group, the views of a minimum of 50% of the work group shall prevail and trigger this provision.

18.3 Extension of Lunch Periods

Where lunch periods are restricted to half an hour and when it has been demonstrated that it has been difficult for employees to get their lunch and return to the job within one-half hour, the Company may exercise its prerogative in extending the lunch period to a maximum of one hour, with the necessary adjustments to the working hours of the day.

19.0 RELIEF WORK, ACTING IN VACANCIES & TEMPORARY AND ROTATIONAL ASSIGNMENTS

19.1 Acting in Vacancies

All acting positions are to be limited to 90 days unless extensions are agreed to by the Company and the Chief Steward of the Union. Pending the arrival

of the successful applicant and his/her assuming of the normal duties, the acting incumbent who is performing the normal duties and responsibilities of an “acting” position shall receive the rate for the position.

19.2 Assignment to a Higher-rated Classification

An employee who is presently in the top step of his/her job when temporarily stepped up to work in a higher-rated classification, shall receive the top rate of that classification.

20.0 HOURS OF WORK

20.1 Hourly-Rated Employees

1. The normal work week for the Company’s hourly-rated trades employees shall be 40 hours per week consisting of five (5) days of eight (8) hours (not before 6:00 a.m. and not later than 6:00 p.m.), Monday to Friday inclusive.
2. A change to established hours of work within the core hours (6:00 a.m. to 6:00 p.m) shall be a matter for discussion between the Union (Chief Steward) and the Company. When changes in hours of work are contemplated the preference of 70% of affected staff in the classification(s) will be considered to be the preference of that classification(s). Where the work of classifications is interdependent (e.g., rehabilitation work, electrical, mechanical, civil), the preference of 70% of the employees in the interdependent classifications will be deemed to be the preference.

However, if in the Company’s opinion the desired hours of work of the affected classifications cannot be accommodated then the Company will provide the Union (Chief Steward) with written rationale for such a decision.

3. The normal work week for T&W-Field Mechanics shall be 40 hours per week consisting of five (5) days of eight (8) hours (not before 6:00 a.m. and no later than 8:00 p.m.), Monday to Friday inclusive. The start times for these employees may be adjusted within the window by Management with seven (7) days’ notice to the affected individuals. Such adjusted start times will be equitably rotated among all employees in the classification at the work site.

The Company may assign employees on a voluntary basis to work five (5) eight (8) hour days Monday to Friday ending no later than 12:00 a.m. These employees will be eligible for shift differential (Item 21.3 afternoon shift). An employee who is selected to an advertised vacancy for these hours will be deemed to have volunteered.

4. Excepting for shift work, all other work outside of the normally scheduled hours shall be considered overtime and paid for at the appropriate premium rates.
5. Switching Agents shall work between the hours of 0:00 and 8:00 Monday to Friday. Employees shall be eligible for shift differential (Item 21.3 night shift).

20.2 Weekly-Rated Employees

The normal work week for janitors and vehicle services attendants shall be 40 hours.

21.0 SHIFT WORK

Shift work may be established under the following conditions:

1. **Rehabilitation work:** Shift work for normal day workers may be established for major rehabilitation work (minimum of 10 working days confined to one unit) on frequency changers with rate capacity of 10,000 kV.A or more.
2. During abnormal or emergency conditions.
3. Conditions other than in 1 and 2 above require agreement by the appropriate Chief Steward.
4. The procedures for establishing shift work in accordance with 1, 2, and 3 above are as follows:
 - (a) Staff shall be assigned to the work for which the shift was established. Staff assigned to other work for a period of greater than one hour per shift shall be paid at two times the employee's normal base rate for the period worked in excess of one hour in that shift.
 - (b) Such rescheduling is not to be considered for the performing of ordinary routine maintenance except as described in Part 'B' Item 21.0 (3).
 - (c) In the case of abnormal or emergency conditions, three days' advance notice and, in the case of major rehabilitation work and other conditions as agreed to in Part 'B' Item 21.0 (3), seven days' advance notice of the commencement date shall be given to the employee by his/her supervisor. Shift shall commence on the day specified or within the following two days.

In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

If the appropriate advance notice of the commencement date has not been given, premium time shall be paid for all work outside the normal scheduled hours until three or seven days have elapsed after notice has been given. If shifts do not commence on the specified days, nor within the following two days, actual commencement shall be considered a change in normal scheduled hours and subject to all the principles of establishing shift work.

- (d) Three-shift work for normal day workers shall be established for a minimum period of three days or more on an eight-hour shift basis commencing on any day in the week.
- (e) The appropriate premium rates shall be paid for work in excess of eight hours on a daily shift basis, Monday to Friday, inclusive.

The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.

- (f) Subject to the same notice and conditions for three-shift work, two-shift work may be introduced on either an eight hour or ten hour basis.

Shift work on a ten hour basis shall be established in accordance with Part 'B' Item 21.2.

- (g) Change in shift conforming with the preceding regulations shall be deemed to be a change in normal scheduled hours.
- (h) Shift work will be equitably rotated amongst qualified staff with each shift being rotated on a weekly or bi-weekly basis.
- (i) Prior to implementation of shift work, a schedule shall be posted and a copy shall be given to the appropriate steward stating the group, the reason for shift work and the estimated length of the work period involved.
- (j) Employees on shift work shall have a paid meal period and shall eat their meal during the shift hours as conditions permit.

21.1 Shift Work Central Maintenance Shop Pickering

Shift work may be established under the following conditions:

- 1.
 - (a) For short duration shifts (maximum three (3) consecutive weeks). No more than four (4) rotations onto these shifts may be worked by any individual in one (1) calendar year.
 - (b) During abnormal or emergency conditions.

- (c) Shift work for normal day workers may be established (minimum of 15 working days) confined to major project type work.
- (d) For other work as agreed to by the appropriate Union Chief Steward.

2. The procedures for establishing shift work in accordance with the above are as follows:

- (a) Staff shall be assigned to the work for which the shift was established. Staff assigned to other work for a period of greater than one hour per shift shall be paid at two times the employee's normal base rate for the period worked in excess of one hour in that shift. Premium pay shall not apply where such assigned other work is as a result of equipment breakdown, inspection delays, customer delays or material delays. Premium pay does not apply to situations where the work that was established for shift comes to a completion within the shift.
- (b) Such rescheduling is not to be considered for the performing of ordinary routine maintenance except as described in Part 'B', Item 21.1.1 (d).
- (c) In the case of conditions as described in Part 'B' – Item 21.1.1 (a and b), three (3) days' advance notice will be given. In all other conditions seven days' advance notice of the commencement date shall be given to the employees by his/her supervisor. Shifts shall commence on the day specified or within the following two days. In the case of illness which would result in a staff shortage, three (3) days' advance notice will be given when placing an employee on shift. If the appropriate advance notice of the commencement date has not been given, premium time shall be paid for all work outside the normal scheduled hours until seven days have elapsed after notice has been given. If shifts do not commence on the specified days nor within the following two days, actual commencement shall be considered a change in normal scheduled hours and subject to all the principles of establishing shift work.
- (d) Three-shift work for normal day workers shall be established for a minimum period of three days or more on an eight-hour shift basis commencing on any day in the week.
- (e) The appropriate premium rates shall be paid for work in excess of eight hours on a daily shift basis, Monday to Friday, inclusive.

- (f) The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.
- (g) Management will determine the number of hours to be covered by shift work.

Subject to the same notice and conditions for three-shift work, two-shift work may be introduced on either an eight hour basis. The preference of 70% of the affected staff for a particular shift schedule in the classification(s) will be considered to be the preference of the classification(s). The vote will be administered by the local Chief Steward.

Shift work on a ten hour basis shall be established in accordance with Part 'B' Item 21.2.

- (h) Change in shift conforming with the preceding regulations shall be deemed to be a change in normal scheduled hours.
- (i) Shift work will be equitably rotated amongst qualified staff with each shift being rotated on a weekly or bi-weekly basis.
- (j) Prior to implementation of shift work, a schedule shall be posted and a copy shall be given to the appropriate steward stating the group, the reason for shift work and the estimated length of the work period involved.
- (k) Employees on shift work shall have a paid meal period and shall eat their meal during the shift hours as conditions permit.

21.2 Ten-Hour Shift Provisions Maintenance Trades Staff

1. Applies to Maintenance Trades Staff assigned to shift work under Part 'B' Items 21.0 (1), 21.0 (2), 21.0 (3) and 21.1 of the Collective Agreement.
2. Ten hour shifts shall be implemented when it is mutually agreeable to **Hydro One** and 70% of affected staff. Where Hydro One deems there are reasons not to implement ten hour shifts, these reasons will be provided to the Union (Chief Steward).
3. The normal hours of work for non-time balanced ten hour shifts are 40 per pay week. Staff involved shall work ten hours per shift Monday, Tuesday, Wednesday and Thursday at straight time (banked two hours per day for total eight hours) which may be performed within the following shift windows:

1st shift – 06:00 hrs to 18:00 hrs
2nd shift – 14:00 hrs to 02:00 hrs

Shift Differential

1st shift – no shift differential

2nd shift – 64 cents per hour

Part 'B' Item 21.3 shall not apply to ten hour shifts.

4. The appropriate premium rates shall be paid for work in excess of ten hours per shift on a daily basis Monday to Thursday inclusive.

If it is necessary for employees to work on the Friday, it will be paid at one and one-half times the employee's basic rate for the first two hours worked and two times the employee's basic rate for all additional hours worked.

The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.

5. Ten hour shift provisions shall not apply to work weeks containing one or more statutory holidays.
6. For staff assigned to shift work under Part 'B' Item 21.0 (1), 21.0 (2) and 21.0 (3) all other provisions Part 'B' Item 21.0 except Part B, Item 21.0(1), 21.0(2) and 21.0(3) all other provisions of Part B, Item 21.0 except 21.0(4)(d), and 21.0(4)(e) shall apply to ten hour shifts.
7. For staff assigned to shift work under Part B, Item 21.1 all other provisions of Part B, Item 21.1 except 21.1(2)(d), 21.1(2)(e) and 21.1(2)(f) shall apply to ten hour shifts.
8. (a) The following items will be credited for pay purposes on an hour-for-hour basis. In the application of undernoted items – 1, 2, 3 and 4, a reference under the appropriate contract provision to "days" entitlement will mean eight (8) hours. Therefore a ten (10) hour shift will constitute one and a quarter (1.25) days deducted from credits.
 - (1) Vacation
 - (2) Floating Holiday
 - (3) Sick Leave
 - (4) Leave of Absence
 - (5) Travelling Time Outside Normal Working Hours
 - (6) Payment for Temporary Supervision
 - (7) Time Charges and Expenses for employee Union Representatives

- (b) When an employee is scheduled to work a ten (10) hour shift and one of the undernoted conditions occurs, a “day” will be considered to be 10 hours:

- (1) Jury Duty
- (2) Funerals
- (3) Moving Day

21.3 Differential for Shift Work Tradespersons and Stationary Engineers

Shift differentials shall apply to employees required to work on a three-shift schedule or a two-shift schedule. The first part of a three-shift or a two-shift schedule shall begin at normal starting time.

A shift differential of **70** cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.

A shift differential of **1 dollar** per hour shall be paid to employees who are scheduled to work between the hours of 0000 to 0800.

For Regular part-time and Temporary part-time employees, shift differential is not applicable when the shift starts and ends between the hours of 0700 and 1800.

The wage schedule rates for the following classifications are deemed to include full payment for the normal hours and days of work as shown in their schedule and shift differentials shall not apply:

Janitor ‘AA’

Janitor ‘A’

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment of shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential [see Subsection 21.0(4)(e)].

22.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

22.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours and is therefore, subject to compensation at premium rates.

22.2 Minimum Payments

All overtime performed, or reported for due to lack of notice of cancellation, shall result in a minimum payment of the greater of four hours at straight time pay or the actual time worked at the appropriate premium rate, except in the following circumstances:

1. Overtime arranged during normal working hours and worked as an extension before and/or after the employee's normal hours of work requires no minimum payment.
2. When short call-outs are repeated within one hour of the completion of a previous call-out for which the minimum was paid, no additional minimum payment is required.
3. For overtime call-outs occurring less than two hours before the commencement of normal starting time, the minimum will not apply and the appropriate premium rate will be paid continuously from call-out time until normal starting time.

22.3 Premium Payments

Premium payment for overtime which does not include shift work shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours after normal quitting time, Monday to Friday inclusive.
2. Two times the employee's basic rate shall be paid for:

All work performed outside of the first two clock hours after normal quitting time, Monday to Friday inclusive.

All work performed on Saturday, Sunday and statutory holidays.
3. When less than 48 hours' notice has been provided and an extra trip to the work location has been made to work overtime, time shall be counted from the time the employee leaves his/her home until he/she returns.

22.3.1 Overtime Cancellation Payments

All overtime cancelled within 48 hours of its scheduled commencement shall result in a cancellation payment of two hours at straight time rate except in the following circumstances:

1. Overtime arranged during normal scheduled hours as an extension to those normal scheduled hours requires no cancellation payments.

2. Overtime arranged as an extension before the normal hours of work requires no cancellation payment if cancelled with more than 16 hours' notice prior to its commencement.

22.4 Special Provisions Concerning Overtime

1. Because an employee was required to work overtime or because he/she lost time in changing shifts, he/she shall not be prevented from working his/her total number of normal daily hours in any normal scheduled day of work. If the employee cannot be supplied with the work required to make up the eight hours' work in that day, his/her pay shall be adjusted to provide a minimum of eight hours' work.
2. If an employee who has worked overtime is physically capable and the gang of which he/she is ordinarily a member is at work, he/she shall not be deprived of the opportunity of working his/her normal scheduled hours in addition to the overtime he/she may have worked.
3. An employee who has accumulated overtime hours shall receive this, in earnings, calculated at the appropriate premium rate and cannot be required to take time off in lieu of payment.
4. Employees who have worked overtime qualify for a rest period based on the following:
 1. An employee who is required to work continuously for more than 16 hours, or an employee who accumulates 16 hours of working time in any 24-hour period without a minimum five-hour continuous break between 2300 and 0700 hours, shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should the employee be required to continue working beyond the above 16-hour work periods, the employee shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest

period, and his/her right to continue work at straight time will be governed by Section 22.4(2), above.

2. An employee on day work who is required to work 4 but less than 6 accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to a 4 hour rest period.
3. An employee on day work who is required to work 6 or greater accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to an 8 hour rest period.
4. If the rest period in 2 and 3 above extends into the employee's normal scheduled hours of work, he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. Should the employee be required to continue working during normal scheduled hours, the employee shall be paid at two times his/her normal basic rate until the rest period is granted.
5. In computing overtime for hourly-rated employees on shift work, excluding stationary engineers, 4th class, one and one-half times the employee's basic rate shall be paid for all work performed during the two-hour period following the scheduled shift and two times the employee's basic rate shall be paid for all work performed during the 14-hour period prior to the start of the scheduled shift, Monday to Friday inclusive. All work performed on Saturday, Sunday and statutory holidays shall be paid at two times the employee's basic rate.
6. Overtime Weekly-Rated: The following trades weekly-rated classifications shall receive overtime in accordance with the "premium payments" section of Part B Item 22.3 for all work in excess of the indicated hours:
 - (a) In excess of eight hours in a day; janitorial staff and vehicle services attendants.

22.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

- (a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed during the first two clock hours after the normal quitting time of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours after the classification's normal quitting time.

and/or

- (b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours worked in a day. Two times the employee's basic rate for all work performed in excess of two hours in a day.

and/or

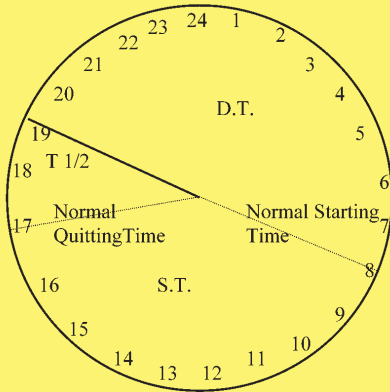
- (c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

22.6 Equivalent Time Off Without Pay

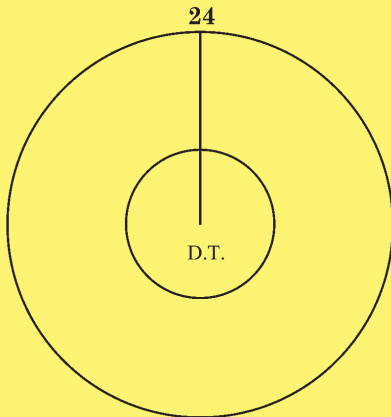
See Part 'A' Section 10.2

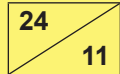
OVERTIME TABLE - HOURLY RATED EMPLOYEES

Monday to Friday



Saturday, Sunday, & Statutory Holiday





HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES

- Dollars per Hour

<u>GRADE</u>	<u>TRADE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 7</u>	UTS	SUPV
								<u>LVL 3</u>	<u>LEVEL 2</u>
01	Cameraperson,		3						

-
- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant
 - (2) Step 1 does not apply to the classification of Camerapersons.

Labour Relations
Effective: March 31, 2011

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

GRADE (GROUP)	TRADE	LEARNER			IMPROVER			J'PER	J'PER	UTS	UTS
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	AA	LVL 3	LVL 3A
01	Customer Service Representative 'A'; Electrician; Fitter Mechanic; Instrument Mechanic; Powerline Maintainer; Machinist; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A' Cable Splicer. (2), Switching Agent	22.57	24.45	26.33	28.22	30.10	33.86	37.62	39.50	40.63	
02	Building Mechanic; Carpenter; Crane Operator (Licensed) 20 tons and over; Forester; Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinsmith; Rigger; Welder B; Underground Cable Stakeout Person; Power Equipment Component Refinisher. (2)	21.83	23.65	25.47	27.29	29.84	32.97	36.39	38.21	39.30	
03	Asst Mechanic; Crane Operator (licensed) 8 tons and under 20 tons; Customer Service Representative; Mechanic C (1); Meter Repairer; Painter; Tool & Equipment Repair Person. (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician I	21.30	23.57	25.83	30.01	34.81	35.22		36.55	37.59	38.04
04	Assistant Power Maintenance Electrician Crane Operator (Licensed) under 8 tons; Maintenance Worker; Meter Reader, Asst Cable Splicer. (3) Station Maintenance & Inspection; Meter Reader/Data Collector	21.33	23.59	25.85	33.23	34.27			34.89	35.89	
05	Handyperson (4)	21.34	27.34	30.14	31.65					32.55	
06	Powerline Ground Assistant	27.36	28.91	30.40	31.92					32.83	
07	Powerline Maintainer Special (5)	34.81									
08	Labourer (6)	21.34	24.65	27.39					29.58	32.05	
09	Summer Student (7)	16.27	17.63								
10	Meter Reader B		20.70	23.71							
11	Supervising Meter Reader; Supervising Meter Reader/Data Collector		38.21								

See Page 2 for Explanatory Notes

NOTES:

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyperson level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide Land Exterminator Class 01 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Data Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linepersons who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

NOTE: In the Trades' schedule, when an employee not at the maximum rate for his/her group is regraded, he/she will receive the rate of the corresponding year in the higher group and retain the same progression date.

All progressions shall be in accordance with Item 3 of Part A.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 26 - WORKING SUPERVISORS

- Dollars per Hour

SCHEDULE 25

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	01	44.02	45.90
02	02	42.58	44.40
03	03	40.73	42.47
03	3A	41.21	42.97
04	04	38.88	40.54
05	05	35.26	36.77

SCHEDULE 27

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	11	46.46	48.45
02	12	42.59	44.41
03	13	40.73	42.47
04	14	38.86	40.52
05	15	33.16	34.57

SCHEDULE 28

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	21	47.54	49.57
02	22	44.71	46.62

NOTES:

These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 25, 27 and 28 and for union members who relieve in Trades Supervisory positions.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2 positions or union members relieving in Level 2 Trades Supervisory Positions. Rate is based on PWU Journeyperson Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.17.

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1 positions or union members relieving in Level 1 Trades Supervisory Positions. Rate is based on PWU Journeyperson Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.22.

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Labour Relations

Effective: March 31 2011

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 27 - MOTIVE POWER TRADES
 - Dollars per Hour

<u>GRADE</u>	<u>TRADE</u>	<u>LEARNER</u>				<u>IMPROVER</u>			<u>J'PER</u>	<u>AA</u>	<u>UTS</u>
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>STEP 8</u>	<u>LVL 3</u>
01	Regional Field Mechanic; Transport & Work Equipment Mechanic (1)	23.83	25.81	27.80	29.78	31.77	33.75	35.74	37.72	39.71	42.89
07	Autobody Fabricator; Hydraulics & Automotive Machinist;	22.57	24.45	26.33	28.22	30.10	31.98	33.86	36.40	37.62	40.63
02	Regional Shop Mechanic Transport Mechanic; Work Equipment Mechanic; Auto Body Repairer (1)	<u>LEARNER</u>				<u>IMPROVER</u>			<u>J'PER</u>		39.31
		21.84	23.66	25.48	27.30	29.85	32.03	34.22	36.40		
03	Automotive Painter (2)	<u>LEARNER</u>		<u>IMPROVER</u>		<u>J'PER</u>					37.59
		21.30	23.57	25.83	30.01	34.81					
06	Fuel and Electrical Systems Mechanic (3)	21.30	23.57	25.83	30.01	34.81					37.59
04	Accessories Installer	<u>LEARNER</u>		<u>IMPR</u>	<u>J'PER</u>						35.87
		21.42	23.65	25.87	33.21						
05	Service Station Attendant	<u>LRN'R</u>	<u>IMPR</u>	<u>J'PER</u>							30.61
		21.17	23.32	28.34							

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyperson level is reached.
- (3) For Trade Group 6 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyperson level is reached.

Labour Relations
 Effective: March 31, 2011

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 28
REGIONAL MAINTAINERS
 - Dollars per Hour

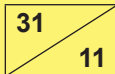
<u>GRADE</u>	<u>TRADE</u>	<u>LEARNER</u>		<u>IMPROVER</u>			<u>REGIONAL</u>		<u>REG</u>	<u>UTS</u>	
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>MAIN 1</u>	
01	Regional Maintainer-Lines;	22.57	24.45								.

	<u>TRADE</u>	<u>LEARNER</u>			<u>IMPROVER</u>			<u>MAIN 2</u>	<u>MAIN 1</u>	<u>LVL 3</u>
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>STEP 9</u>
02	Regional Maintainer - Civil;	21.83	23.65							.

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: March 31, 2011



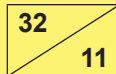
HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
- DOLLARS PER WEEK

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>UTS</u> <u>LVL 3</u> <u>STEP 4</u>	<u>SUPV</u> <u>LEVEL 2</u> <u>STEP 5</u>
16	Janitor 'A'		1,036.04	1,132.28		1,222.86	1,324.77

This schedule is applicable to a 40-hour work week.

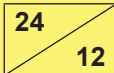
All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
Effective: March 31, 2011



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 32 - TRADES - SERVICES (HOURLY RATED)
- Dollars per Hour

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0'</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>UTS</u>	<u>SUPV</u>	
						<u>LVL 3</u>	<u>LVL 2</u>	
						<u>STEP 7</u>	<u>STEP 8</u>	
04	Office Cleaner**							2



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES
- Dollars per Hour

<u>GRADE</u>	<u>TRADE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	UTS	SUPV
							<u>LVL 3</u>	<u>LEVEL 2</u>
							<u>STEP 7</u>	<u>STEP 8</u>
01	Cameraperson,		39.21	40.24	4			

-
- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant
- (2) Step 1 does not apply to the classification of Camerapersons.

Labour Relations
Effective: March 29, 2012

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

<u>GRADE</u>		<u>LEARNER</u>				<u>IMPROVER</u>				<u>J'PER</u>	<u>J'PER</u>	<u>UTS</u>	<u>UTS</u>
<u>(GROUP)</u>	<u>TRADE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>AA</u>	<u>LVL 3</u>	<u>LVL 3A</u>	
01	Customer Service Representative 'A'; Electrician; Fitter Mechanic; Instrument Mechanic; Powerline Maintainer; Machinist; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A' Cable Splicer. (2), Switching Agent	23.25	25.19	27.13	29.06	31.00	34.88	38.75	40.69		41.85		
02	Building Mechanic; Carpenter; Crane Operator (Licensed) 20 tons and over; Forester; Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinsmith; Rigger; Welder B; Underground Cable Stakeout Person; Power Equipment Component Refinisher. (2)	22.49	24.36	26.24	28.11	30.73	33.96	37.48	39.35		40.48		
03	Asst Mechanic; Crane Operator (licensed) 8 tons and under 20 tons; Customer Service Representative; Mechanic C (1); Meter Repairer; Painter; Tool & Equipment Repair Person. (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician I	<u>LEARNER</u>	<u>IMPROVER</u>	<u>J'PER</u>	<u>(A)</u>	<u>J'PER</u>	<u>AA</u>	<u>LVL 3</u>	<u>LVL 3A</u>				
		21.94	24.27	26.60	30.90	35.85	36.26	37.64	38.72	39.16			
04	Assistant Power Maintenance Electrician Crane Operator (Licensed) under 8 tons; Maintenance Worker; Meter Reader, Asst Cable Splicer. (3) Station Maintenance & Inspection; Meter Reader/Data Collector	<u>LEARNER</u>	<u>IMPR</u>	<u>J'PER</u>	<u>(A)</u>	<u>J'PER</u>	<u>AA</u>	<u>LVL 3</u>					
		21.98	24.30	26.63	34.23	35.30	35.94	36.97					
<u>GRADE</u>		<u>J'PER AA</u>				<u>UTS</u>	<u>LVL 3</u>	<u>SUPV</u>					
<u>(GROUP)</u>	<u>TRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>STEP 2</u>	<u>STEP 4</u>					
05	Handyperson (4)	21.98	28.15	31.04	32.59		33.52						
06	Powerline Ground Assistant	28.18	29.78	31.31	32.88		33.81						
07	Powerline Maintainer Special (6)	35.85											
08	Labourer (6)	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>		<u>STEP 3</u>	<u>STEP 4</u>						
		21.98	25.39	28.21		30.47	33.01						
09	Summer Student (7)	16.76	18.16										
10	Meter Reader B		21.32	24.42									
11	Supervising Meter Reader; Supervising Meter Reader/Data Collector		39.36										

See Page 2 for Explanatory Notes

NOTES:

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyperson level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide Land Exterminator Class 01 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Data Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linepersons who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

NOTE: In the Trades' schedule, when an employee not at the maximum rate for his/her group is regraded, he/she will receive the rate of the corresponding year in the higher group and retain the same progression date.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
Effective: March 29, 2012

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 26 - WORKING SUPERVISORS
 - Dollars per Hour

SCHEDULE 25

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	01	45.34	47.28
02	02	43.85	45.73
03	03	41.94	43.74
03	3A	42.42	44.24
04	04	40.05	41.76
05	05	36.32	37.87

SCHEDULE 27

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	11	47.85	49.90
02	12	43.86	45.74
03	13	41.94	43.74
04	14	40.03	41.74
05	15	34.15	35.61

SCHEDULE 28

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	21	48.96	51.06
02	22	46.04	48.01

NOTES:

These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 25, 27 and 28 and for union members who relieve in Trades Supervisory positions.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2 positions or union members relieving in Level 2 Trades Supervisory Positions. Rate is based on PWU Journey person Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.17.

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1 positions or union members relieving in Level 1 Trades Supervisory Positions. Rate is based on PWU Journey person Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.22.

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Labour Relations
 Effective: March 29, 2012

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 27 - MOTIVE POWER TRADES

- Dollars per Hour

GRADE (GROUP)	TRADE	LEARNER				IMPROVER			J'PER	J'PER	UTS
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	AA	LVL 3
01	Regional Field Mechanic; Transport & Work Equipment Mechanic (1)	24.54	26.59	28.63	30.68	32.72	34.77	36.81	38.86	40.90	44.17
07	Autobody Fabricator; Hydraulics & Automotive Machinist;	23.25	25.19	27.13	29.06	31.00	32.94	34.88	37.49	38.75	41.85
02	Regional Shop Mechanic Transport Mechanic; Work Equipment Mechanic; Auto Body Repairer (1)	<u>LEARNER</u>				<u>IMPROVER</u>			<u>J'PER</u>		40.49
		22.49	24.37	26.24	28.12	30.74	32.99	35.24	37.49		
03	Automotive Painter (2)	<u>LEARNER</u>		<u>IMPROVER</u>		<u>J'PER</u>					38.72
		21.94	24.27	26.60	30.90	35.85					
06	Fuel and Electrical Systems Mechanic (3)	21.94	24.27	26.60	30.90	35.85					38.72
04	Accessories Installer	<u>LEARNER</u>		<u>IMPR</u>		<u>J'PER</u>					36.95
		22.07	24.36	26.65	34.21						
05	Service Station Attendant	<u>LRN'R</u>		<u>IMPR</u>		<u>J'PER</u>					31.53
		21.80	24.02	29.19							

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyperson level is reached.
- (3) For Trade Group 6 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyperson level is reached.

Labour Relations
Effective: March 29, 2012

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 28
REGIONAL MAINTAINERS
 - Dollars per Hour

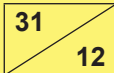
<u>GRADE</u>	<u>TRADE</u>	<u>LEARNER</u>			<u>IMPROVER</u>			<u>REGIONAL</u>		<u>REG</u>	<u>UTS</u>
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>MAIN 1</u>	<u>STEP 9</u>
01	Regional Maintainer-Lines;	2									.

	<u>LEARNER</u>			<u>IMPROVER</u>			<u>MAIN 2</u>	<u>MAIN 1</u>	<u>LVL 3</u>
	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>STEP 9</u>
02 Regional Maintainer - Civil;	2								.

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

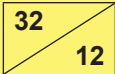
All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: March 29, 2012



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
- DOLLARS PER WEEK

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>UTS</u>	<u>SUPV</u>
						<u>LVL 3</u>	<u>LEVEL 2</u>
						<u>STEP 4</u>	<u>STEP 5</u>
16	Janitor 'A'		1	.			



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 32 - TRADES - SERVICES (HOURLY RATED)
- Dollars per Hour

<u>GRADE</u>	<u>TITLE</u>	<u>STEP0*</u>	<u>STEP1</u>	<u>STEP2</u>	<u>STEP3</u>	<u>UTS</u>	<u>SUPV</u>
						<u>LVL 3</u>	<u>LVL 2</u>
						<u>STEP 7</u>	<u>STEP 8</u>
04	Office Cleaner**	22.71					

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PART C
CONTROLLERS/DISPATCHERS/TRAINEEES

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PART C
CONTROLLERS/DISPATCHERS AND TRAINEES

Specific Matters of Agreement

1.0 WAGE RATES

Controllers/dispatchers and trainees will be paid on the basis of an hourly rate. Basic wage, shift bonus, and all premium time entitlement shall be at an hourly rate with balanced weekly payments of the basic wage.

Wage rates shall be in accordance with wage schedule 30 which is part of this Agreement.

2.0 CONTROLLERS/DISPATCHERS ORGANIZATIONAL STRUCTURE

2.1 Application

Refer to arbitration award HO-P-8, HO-P-10, HO-O-20 and HO-0-21, dated May 30, 2002, for a description of the controller/dispatcher organization structure.

2.2 Application of Controller/Dispatcher Organizational Structure

Where it is mutually recognized that a problem or problems exist regarding the application of the controller/dispatcher organizational structure, a meeting of the Union and the Company will be called to resolve these specific problems. However, individual problems regarding the interpretation and application of the method will be initially dealt with in the field between the employee and his/her supervisor.

3.0 SUPERVISORY DUTIES

Under normal circumstances controller/dispatcher/trainee's non- union supervisor's duties are of a supervisory nature. His/her principal responsibility is to guide and direct his/her staff in the safe and proper performance of their work. It is necessary for him/her to gauge the degree of supervision required by the employees under his/her direction. Normally, a non-union supervisor must not take the place of a controller/dispatcher.

In the event that an emergent condition arises, a controller/dispatcher must be called in. However, when such a controller/dispatcher is not immediately available, the non-union supervisor may perform whatever duties are necessary until the controller/dispatcher can report for duty.

4.0 ON CALL CONTROLLERS/DISPATCHERS/TRAINEES

On call is the term used to cover on-call service performed by controllers/dispatchers/trainees. While on call they are allowed up to a maximum of one (1) hour between the time they are called and the time when they report to work.

The rate of pay for on-call duty will be one-half hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short call basis.

On-call duty by controllers/dispatchers/trainees will be on a purely voluntary, individual basis.

5.0 MEAL PROVISIONS

5.1 Provision of Meals

In recognition of the importance of regular meals to an individual's health and effectiveness on the job, the Company will supply meals as outlined below and when required, will assign an employee to secure the meals.

- (a) Employees provide their own meals on regular days of work.
- (b) When an employee works overtime on a regular day off, he/she will be expected to provide one meal if 23 hours notice has been given.
- (c) When an employee works extension overtime before or after normal scheduled hours, all required meals will be provided by the Company. The first meal (or meal allowance) will be provided when two (2) hours of overtime are worked. Subsequent meals or meal allowances will be provided every four (4) hours of overtime worked thereafter.
- (d) When meals cannot be reasonably obtained¹, an allowance of \$15.00 per meal will be paid.

5.2 Meal Periods

- (a) Employees on day work shall take a meal period designated by the Company and shall not be paid for this time (unless otherwise provided for in the Collective Agreement).
- (b) Employees on shift work shall eat their meals during the shift hours as conditions permit.

¹ 'Reasonably obtained' is to be defined locally by Union and Management.

- (c) When an employee works extension overtime, no time shall be deducted for eating such meals where the employee eats the meal on the job and in a minimum of time.

6.0 RELIEF WORK, ACTING IN VACANCIES & TEMPORARY AND ROTATIONAL ASSIGNMENTS

6.1 Selection to/Acting in Vacancies

Selection to positions in the controller/dispatcher/trainee wage schedule to be made within 90 days after the vacancy is created providing there is a suitable applicant.

6.2 Relief Work In a Non-Union Position

1. When a controller/dispatcher is used to supply relief in a non-union supervisory position he/she shall receive five percent (5%) above their base rate. When a controller/dispatcher is used to supply relief in a higher rated non-union non-supervisory position he/she shall receive three percent (3%) above their base rate.
2. The entitlement of controllers/dispatchers for payment of vacation days at a relief rate as outlined in 1. above will be determined by the amount of relief provided during the period from January 1st to December 31st each year. If relief has been provided for 50 percent (50%) or more of this time in a higher position, all vacation days taken during this same period will be paid at the higher rate. Time worked after a permanent promotion to a higher position will not be counted towards the 50 percent (50%) credit.
3. When a controller/dispatcher relieves in a non-union position and he/she acquires a lieu day (statutory holiday), the lieu day shall be paid at the higher rate.
4. When relieving in a non-union position during his/her normally scheduled hours of work, a controller/dispatcher shall be paid a minimum of four hours' pay at the appropriate relief rate, or the actual hours worked, whichever is greater.

7.0 SHIFT WORK

The content, preparation, posting and administration of shift schedules is the sole responsibility of the Company.

The posting of master shift schedules will be done in a manner that considers the needs of both the employee and the Company.

7.1 Regular Controllers/Dispatchers

7.1.1 Master Work Schedule

A six-month (commencing in January and July) master work schedule, averaging 40 hours per week, posted one month in advance, will be prepared and posted indicating the days, hours of work (shift) for each controller/dispatcher. The master work schedule will provide a minimum of 16 hours off between eight hour shifts.

7.1.2 Time Balance

1. The master work schedule shall have the time balance adjusted for each controller/dispatcher to zero on June 30 and December 31. Statutory holidays occurring and vacation allowances taken during the respective periods shall be included when computing time balances.
2. Plus time balances on the above dates shall be paid for at premium rates of pay.
3. Minus time balances which occur as a result of implementing the provisions of 7.1.2(1), 7.4.4 and 7.4.5 shall be worked off in the master work schedule in which they occur or the two-month period immediately following the establishment of the minus time, whichever is the greater.

7.1.3 Revisions to Master Work Schedule

Revisions to master work schedules should be done in a manner that mutually meets the needs of both the employee and the Company.

It is the Company's intent to minimize the impact of revisions to master work schedules on the affected employees consistent with good business practices.

This shall be accomplished by open discussion with all potentially affected employees to ensure:

- the impact of disruption to the employee's previously scheduled time off is considered
- that employees understand the impact of the changes on the cost to the Company.

Master work schedules may be subject to revisions as follows:

1. Individual controllers/dispatchers may be changed within the master work schedule for strengthening of shifts providing a

minimum of seven days' notice is given. The intention is that such changes shall normally be of a permanent nature.

In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

2. Supernumerary hours of work may be changed within a calendar day to strengthen a shift providing a minimum notice of 16 non-working hours is given before the start of the first affected shift. If sufficient notice cannot be provided, this change will not be made.
3. With a minimum of four days' notice, supernumerary days of work may be interchanged with scheduled days off, for meetings (excluding meetings involving Union), interviews, short leaves of absence, familiarization trips, training programs and for additional help during heavy workload periods. If more than four weeks separates a scheduled supernumerary day from a scheduled day off or four days' notice cannot be given then these may not be interchanged.
4. Once per schedule per controller/dispatcher and with a minimum of four days' notice an individual controller/dispatcher may be temporarily transferred from his/her master work schedule to the master work schedule of a controller/dispatcher who will be absent for at least ten working days. Seven days' notice will apply for subsequent temporary transfers. Such transfers shall be for the purpose of staff shortages due to transfers, leaves of absence or the absence of a controller/dispatcher involved in training as outlined in 7.4.5. A controller/dispatcher so transferred shall be required to assume the schedule of the absent controller/dispatcher and two days' notice shall be given when returning to his/her normal master work schedule.

A maximum of two additional regular controllers/dispatchers may be temporarily transferred to fill in behind the relieving controller/dispatcher and their moves shall be governed by the foregoing of this item.

5. An individual controller/dispatcher's schedule on a master shift schedule may be changed without penalty, as a result of his/her request for an extension of his/her vacation as outlined in Part A Section 6.7(1)(d).

7.1.4 Penalties

1. Failure to comply with one month's advance posting, as indicated in 7.1.1 shall require the payment of premium rates for work performed under the new schedule for which one month's advance posting has not been provided.

2. Failure to give the required notice, as indicated in 7.1.2(1) shall require the payment of premium rates until the notice period has elapsed.

7.2 Controller/Dispatcher Trainees and Surplus Controller/Dispatchers

7.2.1 Work Schedule (Supernumerary)

When supernumerary, surplus controllers/dispatchers and trainees shall be given a four-week schedule, averaging 40 hours per week, posted one week in advance, showing days and hours of work.

7.2.2 Revisions to Work Schedule

Supernumerary schedules themselves may be subject to revisions for purposes of necessary training, as follows:

1. Once per schedule per controller/dispatcher/trainee, scheduled supernumerary days of work may be interchanged with scheduled days off providing a minimum of one days' notice is given. For subsequent occurrences (i.e., within that 4-week schedule) a minimum of four days' notice will be given. If more than four weeks separate a scheduled supernumerary day from a scheduled day off, then these may not be interchanged. The one day's notice provision applies only to trainees who have less than five years' service in the electrical operating discipline.
2. Supernumerary hours of work may be changed within a calendar day providing a minimum notice of 16 non-working hours is given before the start of the first affected shift.

7.2.3 Transfers between Work Schedule and Master Work Schedule

1. When transferring from a supernumerary schedule to the schedule of a regular controller/dispatcher position and also when returning to their supernumerary schedule they shall be given one day's notice providing the transfer involves a change in the hours of work.
2. Plus time that has accumulated as a result of having worked in master work schedules shall be scheduled as time off during the four-week period following the controllers/dispatchers' return to their supernumerary schedules. Failure to schedule this time off as outlined above, or a cancellation of such scheduled time off, shall require the payment of all remaining plus time at the appropriate premium rate.

3. When occupying a regular controller/dispatcher position they shall be subject to the provisions governing regular controllers/dispatchers as detailed in 7.0.

7.2.4 Penalties

1. Failure to comply with the one week's advance posting, as indicated in 7.2.1 shall require the payment of premium rates for work performed under the new schedule for which one week's advance posting has not been provided.
2. Failure to give the required notice, as indicated in 7.2.2(1), 7.2.2(2) and 7.2.3 shall require the payment of premium rates until the notice period has elapsed.

7.3 Controller/Dispatcher Trainees

7.3.1 Work Schedule (Supernumerary)

When supernumerary, trainees shall be given an *eight*-week schedule, averaging 40 hours per week, posted *two* weeks in advance, showing days and hours of work.

7.3.2 Revisions to Work Schedule

While adherence to the supernumerary schedule is desirable, flexible utilization of trainees' working time will, on occasion, necessitate change in days of work on 24 hours' notice and hours of work on 16 hours' notice.

7.3.3 Transfers between Work Schedule and Master Work Schedule

1. When transferring from a supernumerary schedule to the schedule of a regular controller/dispatcher position and also when returning to their supernumerary schedule they shall be given one day's notice providing the transfer involves a change in the hours of work.
2. Plus time that has accumulated as a result of having worked in master work schedules shall be scheduled as time off during the four-week period following the trainees' return to their supernumerary schedules. Failure to schedule this time off as outlined above, or cancellation of such scheduled time off, shall require the payment of all remaining plus time at the appropriate premium rate.
3. When occupying a regular controller/dispatcher position they shall be subject to the provisions governing regular controller/dispatcher as detailed in 7.0.

7.3.4 Penalties

Failure to comply with the one weeks' advance posting, as indicated in 7.3.1 shall require the payment of premium rates for work performed under the new schedule for which one week's advance posting has not been provided.

Failure to give the required notice, as indicated in 7.3.2 and 7.3.3 shall require the payment of premium rates until the notice period has elapsed.

7.4 Miscellaneous Scheduling Provisions

7.4.1 Administration

Although the content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of controllers/dispatchers for a particular basic type of schedule will be adopted. Such preferences will be made known to the Company prior to commencement of preparation of new schedule.

However, if in the Company's opinion, the efficiency of the station or the health of a controller/dispatcher could be detrimentally affected by the chosen schedule, then the Company will provide the Union (chief steward) with reasons or medical opinions why the desired schedule cannot be implemented.

The preference of individual controller/dispatchers regarding vacation periods will be considered, providing such preferences are made known prior to commencement of preparation of new schedules.

Controller/dispatcher positions identified on the Master Work Schedule will normally be filled.

7.4.2 Changing Positions on a Shift

Changing of positions on a given shift shall not involve premium rates of pay.

7.4.3 Definition

Notice as referred to in this item shall be defined as per the following example: One day's notice shall mean 24 hours prior to the start of the first affected shift. Also, the notice period shall be deemed to commence coincident with the posting of the revised schedule.

7.4.4 Training

Regular and supernumerary controller/dispatchers (surplus, and trainees) may be temporarily transferred from their work schedules for purposes of job related formal training and development at locations where planned controller/dispatcher training is provided.

The controller/dispatcher being trained will be surplus to the regular staff complement but he/she may be assigned certain definite responsibilities as his/her training progresses.

The controller/dispatcher being trained will be assigned specific hours of work for the duration of the training period; these will be assigned at or before the time he begins training.

There will be no loss of basic earnings (40 hours time hourly rate) due to participation in any training program.

Seven days' notice shall be given to all participating controller/dispatchers except in the event of a late cancellation in which case an alternate controller/dispatcher may be selected and he/she may waive the notice period.

7.4.5 Floating Statutory Holiday

A floating holiday may be interchanged with a supernumerary day or with a day where step-up relief can be provided. Floating holidays may be taken in the 12 month period from January 1 to December 31.

7.5 Twelve-Hour Shifts – Controllers/Dispatchers

This item is applicable to all basic shift-working controller/dispatchers. Developmental staff may be permitted to work twelve-hour supernumerary shifts (excluding Items 7.5.1 and 7.5.2.1).

7.5.1 Implementation

To implement twelve-hour shifts or discontinue twelve-hour shifts at any location, 51% of all affected basic staff, must vote in favour by secret ballot. The vote will be administered by the controller/dispatcher Steward.

The implementation vote will be conducted sufficiently in advance to permit the posting of the Master Schedule. The amount of advanced notice will be determined by the local supervisor.

Those controller/dispatchers who do not normally provide continuous shift coverage will not be permitted to vote. Item 7.5.2.2 must be adhered to.

7.5.2 Scheduling Provisions

7.5.2.1 A posted time-balanced twelve-hour shift schedule with equitable rotation per Part C, Item 7.7, must be complemented by a manpower availability requirement (MAR) list to cover unexpected absences or unavailability of staff, so that no individual will normally be required to work continuously more than fourteen (14) hours.

The MAR list is optional based on a decision made by the employees covered by the schedule. If availability to provide shift coverage becomes a problem, following discussions between the Chief Steward and local management, the following provisions for the MAR list and Item 7.5.2.2 will apply.

- i) The MAR list must identify at least one individual from the normal station complement authorized to work twelve-hour shifts, who is on a regular day off and capable of relieving on short notice any shift operating position vacated unexpectedly. Developmental staff may not be used for the express purpose of satisfying MAR list requirements.
- ii) The individual(s) identified on the MAR list must be available during the period two hours prior to and one hour after normal shift change times. This is not deemed to be time worked for any pay purposes.

7.5.2.2 Any new appointee must accept the posted twelve-hour shift schedule and MAR list as a condition of appointment; such appointees will vote for subsequent shift schedules and must accept the results.

Any controller/dispatcher/trainee used in replacing a basic position must accept the posted twelve-hour shift schedule and the MAR list obligations of the position involved.

7.5.2.3 Rescheduling and utilization of supernumerary time (all or a portion thereof) under circumstances and conditions in accordance with the Collective Agreement to cover part of a twelve-hour shift will not result in premium time payment.

7.5.2.4 No more than four (4) twelve-hour shifts may normally be scheduled in sequence and must be followed by a minimum of forty-eight (48) hours off. For cycles greater than thirty (30) days, one short change of twenty-four (24) hours off will be permitted per cycle.

7.5.2.5 When a regular shift commences before midnight and continues after midnight, e.g. 20:00 to 08:00, all hours during the continuous shift shall, for pay and time balance purposes, be recorded and treated as if they occurred during the calendar day in which the shift ends.

7.5.2.6 Shift changes between twelve-hour shifts will provide a minimum of twelve (12) hours off for the individual involved; shift changes from twelve-hour shifts to eight-hour shifts will provide a minimum of twelve (12) hours off; similarly, changes from eight (8) to twelve (12) hour shifts will provide a minimum of sixteen (16) hours off.

7.5.2.7 All vacation days, floating and statutory holidays, hours of work, and supernumerary days included on the Posted Master Schedule must be identified as being twelve (12), eight (8) or (4) hour shifts (vacation and supernumerary days).

7.5.3 Election Coverage

With particular regard to elections, it may be necessary to reschedule working hours of some or all individuals, without penalty.

To avoid the use of eight (8) hour shifts, the following strategy for all Federal, Provincial and Municipal Elections will apply.

7.5.3.1 All employees scheduled to work the twelve-hour shift on the day of the election will be encouraged to vote at the Advance Polls.

7.5.3.2 For those employees scheduled to work the twelve-hour day shift on the day of the election who found it impossible to vote at the Advance Polls, provisions will be made by their supervisor to release them for the time required to vote and then return to work. Transportation and expenses to and from the polling station are the employee's responsibility. Employees requiring time off to vote will endeavor to notify their supervisor 7 days before the election day so adequate coverage can be arranged.

If not notified, the supervisor will make the appropriate changes to shift coverage notifying staff at least 4 days in advance of the election day.

In the event that an employee does not use the advance poll, but requires time off, it may be necessary to revert to eight-hour shifts for the election.

7.5.4 Administration of Entitlements

7.5.4.1 Entitlement for vacation, statutory holidays, floating holidays, special time off, and sick leave, as noted in Part A General Items, shall be credited in hours, with each day of entitlement constituting eight (8) hours.

7.5.4.2 Only when an employee is scheduled to work a twelve-hour shift, will a "day" with reference to items 7.4.2.1, 7.4.2.2, and 7.4.2.3 constitute twelve (12) hours deducted from credits; a "day" with reference to 7.4.2.4, 7.4.2.5, 7.4.2.6, 7.4.2.7, and 7.4.2.8 will constitute twelve (12) hours.

Items 7.4.2.9, 7.4.2.10 and 7.4.2.11 will be credited for pay purposes on any actual hour-for-hour basis.

7.5.4.2.1	Vacation
7.5.4.2.2	Floating and Statutory Holidays
7.5.4.2.3	Sick Leave
7.5.4.2.4	Paid Leave of Absence
7.5.4.2.5	Legal Hearings
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A vacation day, floating or statutory holiday, scheduled on a posted Master Schedule will constitute eight (8) hours deducted from credits.

A scheduled supernumerary day on a posted Master Schedule will constitute eight (8) hours. One four (4) or twelve (12) hour supernumerary shift per six month schedule may be utilized for balancing purposes. Where mutually agreeable, more than one (1) four and/or twelve-hour supernumerary shift may be used.

Training days will be identified on a posted Master Schedule. When it is necessary to remove an individual from his/her normal shift rotation to establish training days, these identified days will not be moved by revisions to the master work schedule, except as noted below. Scheduling of these training days will be mutually agreed upon.

When scheduled training is cancelled, these identified days may be moved by revisions to the master work schedule for strengthening shifts, providing a minimum of seven (7) days' notice is given.

If the training is deferred, every effort will be made to accommodate the individual originally scheduled.

7.5.5 Shift differential will be paid for the night shift only. The shift differential will be the sum of the differentials in Part C, Item 7.7 multiplied by 8/12.

7.5.6 Overtime will be paid as per Part C, Item 8.3.2.1. Unscheduled overtime is paid as per the actual hours worked, not per shift basis.

7.5.7 Termination of Twelve-Hour Shifts

7.5.7.1 Initial and subsequent twelve-hour shifts may be terminated by the Company without notice or penalty if considered to have adverse impact upon public or staff safety.

7.5.7.2 Twelve-hour shifts may be cancelled for any reasons by either the Company or the Union upon two (2) months' written notice to the other prior to the beginning of the subsequent schedule.

7.6 Forty-Hour Per Week Controllers/Dispatchers/Trainees

7.6.1 Non-shift Day Controllers/Dispatchers

The normal work week for these positions shall be 40 hours per week, consisting of five days of eight hours each, Monday to Friday, inclusive, statutory holidays excepted. The specific hours of work shall be 0800 to 1200 hours and 1300 to 1700 hours, except where such controllers/dispatchers are part of a shift complement, in which case their hours of work shall be 0800 to 1600 hours.

Controllers/Dispatchers filling such positions shall not be required to accept service duty or on-call duty.

7.7 Differential for Shift Work

Shift differentials shall apply to employees required to work on a three-shift schedule or a two-shift schedule. The first part of a three-shift or a two-shift schedule shall begin at normal starting time.

Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 0700 and 1800.

1. A shift differential of 60 cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.
2. A shift differential of 80 cents per hour shall be paid to employees who are scheduled to work between the hours of 0000 and 0800.

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment of shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential. Controllers/Dispatchers Trainees will be paid this shift differential when they are working shift work.

8.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

8.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours (or controller's/dispatcher's/trainee's schedule, subject to provisions Part C Item 7.0), and is therefore, subject to compensation at premium rates.

Prearranged Overtime: Work performed outside the normal scheduled hours for which notification must be given a minimum of 24 hours in advance (21 hours for computer sub-branch shift working employees). Time shall be counted from the time the employee reports for work until the employee finishes work. Where this advance notice is not given, overtime shall be considered as emergency overtime.

Emergency Overtime: Work performed outside the normal scheduled hours which is neither prearranged nor extension overtime. Time shall be counted from the time the employee reports for work until the employee finishes work.

Extension Overtime: Work performed outside the normal scheduled hours as an extension of the normal scheduled hours/shift (either immediately preceding or following the normal scheduled hours/shift). Time shall be counted from the time the employee reports for work until normal starting time or from normal quitting time until the employee finishes work. Extension overtime will not be used for controllers/dispatchers/trainees where coverage is required for a complete shift and a controller/dispatcher/trainee is available.

8.2 Minimum Payments

8.2.1 Emergency Overtime

All emergency overtime worked shall receive a minimum payment of three hours' straight time pay or the actual time worked at the appropriate premium rates, whichever is the greater providing short emergency calls are not repeated within one hour of the completion of a previous call, for which the three hours' minimum (three hours at straight time) was paid.

In addition to the payment for emergency overtime or minimum payment as outlined above, one hour (straight time) shall be paid to the controller/dispatcher/trainee as compensation for travelling from his/her home to his/her place of work and return.

8.2.2 Prearranged Overtime

All prearranged work outside of normal hours performed or reported for due to lack of notice of cancellation on a scheduled day of work shall receive a minimum of two hours' straight time pay or the actual time worked at the appropriate premium rate, whichever is the greater.

All prearranged work performed or reported for due to lack of notice of cancellation on a scheduled day off shall receive a minimum of four hours' straight time pay or the actual time worked at the appropriate premium rate, whichever is the greater.

All prearranged overtime work cancelled within 24 hours of the designated work commencement time shall require payment of two hours at the basic rate to all affected controllers/ dispatchers/trainees.

One hour at straight time will be paid in lieu of time spent travelling when an employee is called in to work overtime and an extra trip is involved.

8.3 Premium Payments

8.3.1 Payment for Overtime

Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Premium payment for overtime shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours after normal quitting time, Monday to Friday inclusive. It will also apply to the first *two* hours of overtime worked on an unscheduled day of work.
2. Two times the employee's basic rate shall be paid for:
 - all work performed outside of the first *two* hours after normal quitting time, Monday to Friday inclusive, and after the first two hours on an unscheduled day of work.
 - all overtime work performed on Saturday, Sunday and statutory holidays which occur Monday to Friday.
3. Two and one-half times the employee's basic rate shall be paid for all overtime hours worked on a statutory holiday which occurs on Saturday.

8.3.2 Scheduled Work

1. One and one-half times the employee's basic rate shall be paid for scheduled work performed on Saturdays and Sundays.
2. Two times the employee's basic rate shall be paid for:
 - (a) Scheduled work performed on a statutory holiday which occurs on Monday to Friday. An additional day off will be scheduled in lieu of the statutory holiday within six months of the end of the posted schedule.
 - (b) Scheduled work performed on a statutory holiday which occurs on a Saturday. The premium for scheduled Saturday in 1. above shall not apply.

8.3.3 Cancelled Vacation Days

When an employee's vacation is cancelled by the Company, the employee shall receive the appropriate premium rate for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been

given up to a maximum of seven calendar days. If more than seven calendar days' notice has been given, the employee shall receive straight time for all normal hours worked.

Where possible, and where it is mutually agreeable, cancelled vacation days shall be rescheduled during the current or succeeding six months' schedule. If this is not possible, the cancelled vacation shall be included in the employee's time balance at the end of the schedule in which it occurred.

When a controller's/dispatcher's/trainee's vacation is postponed owing to his/her illness, this postponed vacation will be rescheduled at a mutually agreeable time during the current or succeeding six months' schedule. If this is not possible, the cancelled vacation will be paid for at straight time rates.

NOTE

Controllers/Dispatchers/Trainees shall receive entitlement for the same number of statutory holidays as Part 'B' hourly-rated employees. Therefore, when a statutory holiday falls on a Saturday, statutory holiday credit shall not apply.

8.4 Special Provisions Concerning Overtime

An employee who is required to work continuously for more than 16 hours shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest period.

8.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

- (a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed

during the first two clock hours after the normal quitting time of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours after the classification's normal quitting time.

and/or

- (b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours worked in a day. Two times the employee's basic rate for all work performed in excess of two hours in a day.

and/or

- (c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

8.6 Equivalent Time Off Without Pay

See Part 'A' Section 10.2

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS
- Dollars per Hour

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01	Sr. Electrical Area Supervisor; Outage Scheduler	48.37	50.24			
08	Senior Shift Authority (SSA) Operator	46.98	48.38			
02	Level IA - Operator; Electrical Area Supervisor	45.58	46.96			
03	Level I - Operator;	44.05	45.43			
04	Level II - Operator	41.19	42.43			
05	Level III - Operator	37.27	37.27			
06	Reserve Operator	31.05	33.13	35.11	37.27	
07	Operator-in-Training	22.57	24.45	26.33	28.22	29.29

Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OIT's progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

Labour Relations
 Effective: March 31, 2011

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
Wage Schedule 30 - Controller/Dispatcher
- Dollars per Hour

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01 Controller	39.66	45.43	46.96	49.83	51.76
02 Dispatcher	36.48	37.62			
03 Controller Trainee	22.57	24.45	26.33	28.22	29.29
04 Dispatcher Trainee	22.57	26.33	29.29		

Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 - Dispatcher.

Controller Trainees progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.

Labour Relations
 Effective: March 31, 2011

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS

- Dollars per Hour

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01	Sr. Electrical Area Supervisor, Outage Scheduler	49.82	51.75			
08	Senior Shift Authority (SSA) Operator	48.39	49.83			
02	Level IA - Operator; Electrical Area Supervisor	46.95	48.37			
03	Level I - Operator;	45.38	46.80			
04	Level II - Operator	42.43	43.71			
05	Level III - Operator	38.39	38.39			
06	Reserve Operator	31.98	34.13	36.16	38.39	
07	Operator-In-Training	23.25	25.19	27.13	29.06	30.17

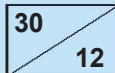
Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OTTS progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

Labour Relations
Effective: March 29, 2012



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
Wage Schedule 30 - Controller/Dispatcher
- Dollars per Hour

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01 Controller	40.85	46.90	48.37	51.32	53.31
02 Dispatcher	37.57	38.75			
03 Controller/Trainee	23.25	25.19	27.13	29.06	30.17
04 Dispatcher Trainee	23.25	27.13	30.17		

Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 - Dispatcher.

Controller Trainees progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.

Labour Relations
Effective: March 28, 2012

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PART D
WEEKLY-SALARIED

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WEEKLY-SALARIED

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**PART D
WEEKLY-SALARIED**

Specific Matters of Agreement

1.0 SALARIES

Salaries shall be in accordance with the salary schedules which are part of this Agreement.

2.0 ON CALL

2.1 On Call – Protection and Control

On call is the term used to cover trouble call service performed by Protection and Control Technicians and Technologists. While on call, they are allowed up to a maximum of two (2) hours between the time they are called and the time when they report to work.

The rate of pay for on-call duty will be one-half hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short call basis.

Subject to safe application, volunteers will be requested prior to the mandatory assignment of on call.

2.2 On Call-Hydro One Telecom Technical Staff

On call is the term used to cover trouble call service performed by Hydro One Telecom technical staff. While on call, they are to report to work in a reasonable length of time.

The rate of pay for on-call duty will be one-half hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short-call basis.

2.3 On Call Helicopter Pilots and Air Engineers

On call is the term used to cover trouble call service performed by Helicopter Services, Helicopter Pilots and Air Engineers. While on call, employees are to report to the site of the Helicopter, in a maximum of 3 hours from the

time of being called/paged. On call will be on a voluntary individual basis for Air Engineers. Subject to safe application, volunteers will be requested from Helicopter Pilots prior to mandatory assignment of on call. Helicopter Pilots will not be required to accept on call more than thirteen (13) times per pilot per calendar year.

The rate of pay for on call duty will be one (1) hour at the employee's basic hourly rate per day for Saturdays, Sundays and Statutory Holidays.

3.0 POSTING OF VACANCIES

All vacancies as set out in Article 10 and as covered by this section of the agreement will be posted when they become vacant with the following exceptions:

1. A change to the job duties, rating and/or salary grade resulting from a Clerical-Technical Job Evaluation Plan challenge, or a Review of a Rating by the Job Classification Committee, or a change to a job title and/or occupation code only, shall not be considered to create a vacancy.
2. A change to the duties of an occupied job, wherein the salary grade remains unchanged, shall not be considered to create a vacancy.
3. A change to the duties of a job covered by the Clerical-Technical Job Evaluation Plan which results in an increase to the salary grade shall not be considered to create a vacancy if there is, in the Company's opinion, an employee in the immediate work group who is the only one qualified to perform the resulting job. However, in such cases, if there is a more senior employee in the same job in the same work group who was not appointed to the resulting job, he/she shall have the right to seek redress under Article 2, Grievance Procedure.
4. Changes to jobs which result in a surplus in staff complement of the work group shall not be considered to create a vacancy in the resulting job(s).
5. The restructuring of a job in a manner which justifies application of the Downward Restructuring Rule (Section 4.9.2 of this section of Agreement) to the incumbent, shall not be considered to create a vacancy.

3.1 Posting Procedures

A notice of vacancy referring to jobs covered by the Clerical-Technical Job Evaluation Plan shall be based on the job description and job specification and shall be posted province wide. Nothing contained in the notice of vacancy shall contravene the information contained in the job documents.

No important information (subject to space limitations) shall be omitted. A notice of vacancy setting out a higher education or experience requirement than indicated in the job specification will require a corrected notice of vacancy and an extended date of closure.

Vacancies for applications technician and service specialist within the jurisdiction of the Union shall be posted on a province-wide basis subject to all conditions relating to positions once removed from the Union's jurisdiction.

4.0 CLERICAL-TECHNICAL JOB EVALUATION

NOTE:

1. The job challenge process contained in Clerical-Technical Job Evaluation Manual, "Plan B" and referred to in this section shall be replaced for the term of this Collective Agreement with the expedited process contained in Article 2.7, Dispute Resolution – Article 8, Job Challenges, and OGLs. The Job Classification Committee shall assume all the responsibilities normally associated with the Joint Salary Committee for the term of this Collective Agreement.
2. When a management review of a job document that is occupied by more than one employee results in a proposed change of the job grade rating, management will discuss the proposed change with the Chief Steward prior to the review of the Job Description and Job Specification with the incumbents.

4.1 The Clerical-Technical Job Evaluation Plan

The provisions which form the basis of the Clerical-Technical Job Evaluation Plan, formerly referred to as Plan 'B', are contained in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual. Matters pertaining to the application of dollars are contained in the Collective Agreement. Job evaluation matters are contained in the Manual. The Company shall identify the Company groups responsible for dealing with the Union in the foregoing matters.

4.2 Jobs Covered by the Clerical-Technical Job Evaluation Plan

The plan shall cover all jobs falling under this section of the Collective Agreement excepting those covered by salary schedule 21.

4.3 Identification of Jobs in Salary Schedule

All jobs processed under the Clerical-Technical Job Evaluation Plan shall be designated a salary grade in the current salary schedule issued in conjunction with the Collective Agreement.

4.4 The Union Clerical-Technical Job Evaluation Manual

The Manual is a supplement of the Collective Agreement and its provisions shall apply as if set forth in full herein.

The Manual shall be supplied to all employees whose jobs are covered by the plan.

4.5 Rights of the Parties

The Company has and shall retain the exclusive right and power to decide what work is to be done and who is to do it and accordingly the Company shall apply the Clerical-Technical Job Evaluation Plan to determine appropriate salary grades for jobs. The Company shall exercise these rights in accordance with the provisions as set forth in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual.

The Union's right shall be to act on behalf of its members to ensure that the Clerical-Technical Job Evaluation Plan is being properly applied. In order to carry out this function, the Union Job Evaluation Officer shall work in liaison with the appropriate Company groups responsible for the administration of such matters and he/she shall be permitted, within reason, to interview employees during regular working hours.

The Union shall exercise these rights in accordance with the provisions as set forth in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual.

The Union shall retain its rights to participate jointly with the Company in developing and/or modifying the Clerical-Technical Job Evaluation Plan.

In the event of conflict between the foregoing general statements, regarding the rights of the parties, and the specific provisions contained in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual, the latter shall govern.

4.6 Salary Schedule

The salary schedule for jobs covered by the Clerical-Technical Job Evaluation Plan and issued in conjunction with the current Collective Agreement shall have the following characteristics:

1. The salary schedule shall be a salary range schedule with a total of 18 salary grades.
2. The percentage increment from salary grade to salary grade (based on step 3 of each salary grade) calculated from salary grade 51, step 3, shall be annotated on the schedule 20 which is currently in effect.

3. Each salary grade is composed of three steps. The second step is 97 percent (97%) of the maximum and the first step is 94 percent (94%) of the maximum. The time interval required for anniversary progression shall be in accordance with Part 'A', Section 3.0.
4. When an incumbent is promoted from one salary grade to another, he/she shall be promoted in accordance with Part A, Section 24.1.1.
5. The relationship between the salary grade and the point range shall be 13 points for the first salary grade and 21 points for each salary grade thereafter.

4.7 Wages and Retroactivity upon Upward Reclassification

Upward Reclassification as a Result of Company Initiated Action:

1. Transfer from the existing salary grade to the new higher salary grade shall be by the promotion rule.
2. Retroactive entitlement shall be computed by going back to the date when the increased job demands and responsibilities were instituted or undertaken.

Upward Reclassification as a Result of Employee Initiated Action Through the Issuance of a Record of Discussion Form:

1. Transfer from the existing salary grade to the new higher salary grade shall be by the promotion rule, except in the following situations where it shall be by the step-to-step method:
 - (a) Where there is no change in job content or job demand, but the job specification factor ratings change resulting in an upward reclassification of the job.
 - (b) Where a change in job demand is recognized resulting in an upward reclassification of the affected incumbents and where such incumbents have been performing the duties and/or undertaking the responsibilities which caused the upgrading for a period of one year or more prior to the date of the first discussion as recorded on the Record of Discussion form and where these same incumbents have been in the maximum step of the salary grade for the job for one year or more prior to the date of the first discussion.
2. The date of the transfer of an employee to a higher salary grade whether by the promotion rule or the step-to-step method shall be the date of the commencement of the retroactivity and the transfer shall be from the salary grade and step in effect on that date.

3. Retroactive entitlement in Subsection 1. above shall be as set out in the Union Clerical-Technical Job Evaluation Manual.
4. An incumbent who has left the Company's service shall be entitled to retroactive payment, as a result of challenge for the affected period during which he/she was in the Company's employ.

4.8 Training Situations

Normally, an employee receives his/her training and experience by being promoted through a series of established jobs for which job descriptions and job specifications exist. His/her movement up the ladder from job to job will occur when the Company determines that he/she is capable of performing the duties and responsibilities of a higher-rated job, and an opening exists.

At times, however, in certain types of work, an employee will be advanced through a planned series of training steps in which he/she will be directly trained for a specific job which he/she will eventually occupy, i.e., a terminal job. This is termed a training situation.

The Company will identify the need for such a training situation and will structure the terminal job. A job description and job specification will be prepared for the terminal job only. The Job Classification Committee will establish the final rating for the terminal job, and will determine the appropriate training steps leading to the terminal job rate.

The training steps will be established in the following manner:

4.8.1 Formula for Developing Training Situations

The hiring rates will be established based on survey data supplied by the Company and/or the Union and will be consistent with the mean hiring rate being paid by other companies to inexperienced graduates possessing the specified education required to perform the terminal job.

The time span of the training situation will consist of a number of years equal to the minimum number of years indicated in the experience factor applying to the terminal job.

For each year of the time span as determined above an annual training step will be established. The Job Classification Committee may approve the division of annual steps into quarterly or semi-annual sub-steps where such action has been recommended by line management.

Salary step dollars shall be calculated to proceed in geometric progression from the hiring rate to step 1 of the salary grade for the terminal job in the number of years of the training situation. The dollar values thus obtained for each step shall be translated to the nearest salary grade and step (above

or below) which appears on schedule 20. The factor used to multiply each annual step dollars to find the next annual step will be 'F' i.e.,

$$F = \sqrt[n]{\frac{R_t}{R_s}}$$

Where,

- n = Number of years in the training situation
- R_s = Hiring rate
- R_t = Terminal rate

Where applicable the dollars for the half-yearly step will be starting dollars multiplied by 'Fh' i.e.,

$$Fh = \sqrt[2n]{\frac{R_t}{R_s}}$$

4.8.2 Advancement Through Training Situations

1. A trainee will (subject to Subsections 2. and 3. following) advance to each subsequent training step at the designated intervals based on the date of appointment to the training situation. Upon completion of his/her training, he/she will be placed in the first progression step of the salary grade applying to the terminal job. He/she will then be subject to the conditions of the Clerical-Technical Job Evaluation Plan.
2. If at any time the trainee is judged to be incapable of performing the terminal job in a satisfactory way, he/she may be removed from the training situation.
3. If a trainee, in the Company's opinion, fails to make satisfactory progress his/her next training step may be delayed, in accordance with the provisions of Part 'A', Subsection 3.0. Such a delay may take place on one occasion only throughout the training program.
4. If a trainee, in the opinion of the Company displays exceptional ability, he/she may be advanced to the training step which is more in keeping with his/her achieved progress.
5. If a person having suitable experience is appointed to a training situation, the Company may place him/her in any training step judged to be appropriate to his/her applicable experience.
6. If a trainee, who has not yet attained the terminal job level, believes that he/she is fully performing the duties, and has the responsibilities of the terminal job document, he/she may institute a challenge.

4.8.3 Continuing Administration of Training Situations

The established hiring rates will remain in effect until altered through negotiation between the parent bodies or until altered through action resulting from a review by the Job Classification Committee upon the request by the parent bodies.

Recalculation of training step values (according to 4.8.1) will occur with a change in the hiring rate.

The existing trainees will remain on the training situations on which they were hired until they have reached the step 3 of the salary grade of the terminal job.

4.8.4 Tiered Training Situations

In certain instances, it may be necessary to develop a hierarchy of terminal jobs with training situations leading to each level, e.g., to the junior, to intermediate, and to senior levels. In such cases, the principles and practices as set out in this agreement will serve as a guide in the development of training steps and their values.

4.9 Clerical-Technical Job Evaluation Plan

4.9.1 Merit Rating

It is agreed that if, as and when merit rating is to be instituted, the plan (system of measurement), but not the application, shall be subject to negotiations.

4.9.2 Downward Restructuring Rule

This provision shall apply to incumbents whose jobs are covered by the Clerical-Technical Job Evaluation Plan.

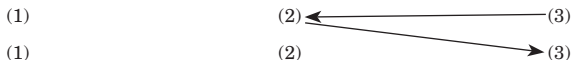
Should the job which an incumbent is performing be changed, but the basic function and significant duties of the job remain unchanged, and should the job then fall into a lower salary grade, the following shall apply:

1. The incumbent's salary dollars (rate) shall be held constant, except for increases referred to in Subsection 5.9.2(4.), commencing on the date of issue of the Advice of Rating form issued by the Company.
2. Annually thereafter, the incumbent shall have his/her rate reduced by one progression step in the manner portrayed by the chart below.
3. The above process shall continue until the maximum dollars in the salary range for the restructured job are reached.

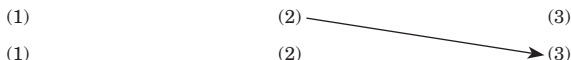
4. In the foregoing process of reduction, current salary schedule dollars shall be used. These include general negotiated increases and cost of living increases.

5. Reduction of One Salary Grade

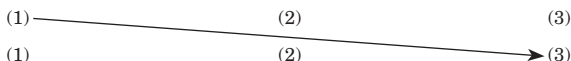
(a) Incumbent is in 3rd progression step¹



(b) Incumbent is in 2nd progression step²

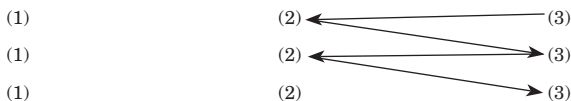


(c) Incumbent is in 1st progression step³

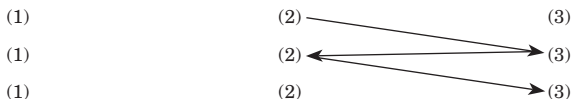


6. Reduction of More than One Salary Grade

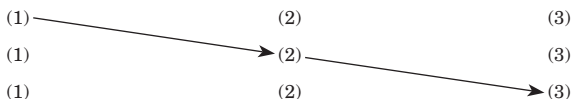
(a) Incumbent is in 3rd progression step⁴



(b) Incumbent is in 2nd progression step⁵



(c) Incumbent is in 1st progression step⁶



1 On the date of issue of the Advice of Rating form.

2 ibid

3 ibid

4 ibid

5 ibid

6 ibid

**5.0 POSITIONS EXCLUDED AS PER ARTICLE 1 –
WEEKLY-SALARIED (CLERICAL AND TECHNICAL)**

Incumbents in positions excluded under Article 1 perform certain inherent work functions which are part of their normal duties. It is also recognized, however, that such work functions will not be performed for the purpose of reducing staff requirements or deliberately to avoid overtime for employees represented by the Union. If the Union believes that this provision is being abused, it may lodge a grievance under Article 2 of the Collective Agreement.

6.0 JOB/FIELD CLERKS

6.1 Hours of Work

The normal work week for employees in these two classifications shall be 37-1/2 hours per week consisting of eight hours per day Monday through Thursday, and five and one-half hours on Friday.

All hours worked in excess of normal daily hours will be paid for at appropriate overtime rate.

For alternate hours of work arrangements refer to the Bargaining Memorandum of Understanding dated December 13, 1991.

6.2 Christmas Shutdown

6.2.1 It is recognized that the Company shall retain the right to designate those positions which require coverage during the shutdown. When a Christmas shutdown is declared by the Company, eligible weekly-salaried employees shall have the option of repayment by:

1. Applying unused vacation credits from the present year (when a Christmas shutdown period extends into the next calendar year, an employee will have the right to use his/her unused vacation from the previous year).
2. Applying next year's vacation entitlement (restricted to shutdown days only).
3. Requesting time off without pay (restricted to shutdown days only).
4. The use of make-up time at straight time.

The Company will maintain salaries of weekly-salaried employees who elect to work make-up time. The employee will work make-up time within the following periods:

Shutdown Period**Make-up Period**

4 working days or less

October 15 to February 1

More than 4 working days

October 1 to March 31

5. The use of banked overtime hours as per Section 6.3. The selection of option 4. above precludes the use of this option during the make-up period.

Unpaid overtime worked shall be paid to the employee at the appropriate premium rate in the event of his/her transfer or termination prior to receiving the time off with pay during the shutdown period.

The employee will indicate to his/her supervisor his/her selection of the above options prior to the commencement of the make-up period. The employee may change his/her options at any time provided the employee's supervisor authorizes the change.

- 6.2.2** The employee may elect to bank one hour for each overtime hour worked for application to the Christmas shutdown. The maximum number of hours that can be banked is equal to the duration of the Christmas shutdown. The premium portion of the overtime worked shall be received in earnings the following pay period or in equivalent time off with pay.

6.3 Equivalent Time Off With Pay

Job/Field Clerks will be compensated, either in money or in time off, for all overtime authorized by the supervisory staff.

The employee may request that the method of compensation be time off for the hours worked plus premium hours, but time off with pay will be subject to the supervisor's approval.

When time off is used as a method of compensation, the time off will be taken within six months of the date the overtime was worked subject to the approval of management.

6.4 Lateral Transfer of Job/Field Clerks

Employees will be laterally transferred when staff becomes available at a particular residence headquarters and corresponding needs become apparent in the same classifications at other residence headquarters.

Management will inform all employees affected when a change occurs in the construction program which may cause staff to be transferred.

If there is more than one qualified employee in the classification, the selection for transfer will be made on the basis of the most senior employee

who is prepared to accept the transfer. If none of the qualified employees in the classification accept the transfer, then the most junior qualified employee will be transferred. The Chief Steward will be the last one in a classification required to be transferred, provided that the employee concerned has the necessary qualifications to perform remaining work.

6.4.1 Surplus Staff Procedure

The surplussing of staff shall be done in accordance with Article 11 after the provisions of 6.4 have been applied.

6.5 Notice of Transfer

When Job/Field Clerks are transferred and a change of residence headquarters is involved, a minimum of two weeks' notice shall be given.

When the Company considers a preliminary trip to the new location is necessary for interview of employee or for him/her to seek a house, the time, board and lodging and travelling expenses of the employee may be paid. Following an employee's move to this/her new residence headquarters, and while awaiting the transfer of his/her family, time off may be required in order for him/her to seek a house. For such purposes reasonable time off without loss of earnings may be granted at the Company's discretion. This allowance would normally be expected to supplement efforts made by the employee during non-working hours and as such would not normally exceed a total of one full working day.

6.6 Board and Travel Expense – Job/Field Clerks

1. A residence headquarters will be established for each job/field clerk.
2. Job/Field clerks will be paid a board and travel expense subject to the following:

No compensation will be payable to the job/field clerk for travel from his/her residence to the regular work headquarters (e.g. first site on the line). In remote locations where it is not possible to have residence headquarters established within reasonable close proximity (40 road km) to the work headquarters, the board and travel expense will be paid.

- at subsequent temporary work headquarters, compensation will be based on the distance from the employee's residence to the temporary workheadquarters as follows:

up to 16 road km	– no expenses
16 and up to 39 road km	– \$13.00 per day worked
40 and up to 55 road km	– \$15.00 per day worked
56 and up to 79 road km	– \$20.00 per day worked
80 and up to 104 road km	– \$26.00 per day worked
Greater than 104 road km	– \$31.00 per day worked

In unusual circumstances, the Company at its discretion may place employees in hotels/motels or camps at no charge to the employees. In such cases, the expenses as noted above will not apply.

6.7 Job Shutdown Due to Lack of Work

Job clerks will be subject to standoff when no work is available. Vacation, floating statutory holidays, leave of absence without pay or equivalent time off with pay can be used under such circumstances.

6.8 Extreme Weather Closure

At certain times of the year, the offices or other buildings of the Company may be closed due to extreme weather conditions.

Job/Field Clerks shall receive time off with pay for these periods.

7.0 MEAL PROVISIONS

7.1 Provision of Meals

In recognition of the importance of regular meals to an individual's health and effectiveness on the job, the Company will supply meals as outlined below and when required, will assign an employee to secure the meals.

- (a) Employees provide their own meals on regular days of work.
- (b) When an employee works overtime on a regular day off, he/she will be expected to provide one meal if 23 hours notice has been given.
- (c) When an employee works extension overtime before or after normal scheduled hours, all required meals will be provided by the Company. The first meal (or meal allowance) will be provided when two (2) hours of overtime are worked. Subsequent meals or meal allowances will be provided every four (4) hours of overtime worked thereafter.
- (d) When meals cannot be reasonably obtained⁷, an allowance of \$15.00 per meal will be paid

7.2 Meal Periods

- (a) Employees on day work shall take a meal period designated by the Company and shall not be paid for this time (unless otherwise provided for in the Collective Agreement).
- (b) Employees on shift work shall eat their meals during the shift hours as conditions permit.

⁷ 'Reasonably obtained' is to be defined locally by Union and Management.

- (c) When an employee works extension overtime, no time shall be deducted for eating such meals where the employee eats the meal on the job and in a minimum of time.

8.0 RELIEF WORK, ACTING IN VACANCIES & TEMPORARY AND ROTATIONAL ASSIGNMENTS

All assignments that are expected to last six (6) months or longer will be posted for one week.

8.1 Principles Re Resourcing For Relief, Acting, Temporary and Rotational Assignments

Recognizing that relief, acting and temporary assignments contribute to the development of personnel and contribute to the work being done effectively, the following will be considered when resourcing these assignments:

- the more senior employees will be given preference;
- assignments may be split between employees;
- specific qualifications/knowledge required for the position will be taken into consideration;
- for supervisory positions primary consideration will be given to personal qualities such as leadership and the understanding and display of the practice of good human relations;
- employee development;
- Employment Equity objectives discussed in advance with the Union shall be considered;
- amount of notice and duration of assignment will be considered.

These assignments will be distributed as equitably as possible, over time, once the above conditions have been considered.

The format for utilization of the above in a Business Unit (or smaller unit) will be a joint responsibility.

Item 8.1 shall not be subject to the grievance/arbitration procedure.

Disputes will be resolved locally and may be referred to Chief Steward and the Local Manager.

Circumstances which negate consideration of the above conditions will normally be discussed in advance with the Union.

8.2 Relief Work

Intent

It is the intent of this item that when an employee is relieving in a higher rated position that he/she be properly compensated for the duties that he/she is performing. The assignment of relief is a Management right and increased duties must be assigned not assumed.

1. The Company shall notify the employee in writing, in advance where possible, of the requirement to perform relief, of the general nature of the major duties to be performed, and the rate to be paid during the relief period.
2. Employees in the weekly-salaried schedule, when relieving for the normal duties of an employee in a higher job grade, not defined in 8.2(3) below, for a period of one full working day or more shall be paid, for the full relief period, at the rate established by the Company for the relieved position or three percent (3%) above the employee's normal rate whichever is greater.

In relief situations where less than the normal duties are being performed and a lower salary grade has been established for the relief period, the promotion rule will be used to establish the appropriate progression step or off-schedule rate in the lower salary grade.

Failure to notify the employee in writing of the major duties to be performed and the rate to be paid will require the payment of the first step of the salary grade of the relieved position or three percent (3%) above the employee's normal rate whichever is greater, for the entire relief period.

3. Employees in the weekly-salaried schedule, when relieving for the normal duties of an employee in a non-union supervisory position for a period of one full working day or more shall be paid for the full period at the rate established by the Company for the relieved position or five percent (5%) above the employee's normal rate whichever is greater.

Failure to notify the employee in writing of the major duties to be performed and the rate to be paid will require the payment of 10 percent (10%) above the employee's normal rate, for the entire relief period.

4. Notification of the Chief Steward is required when the employee is required to relieve for a period of two working days or more.
5. Statutory holidays will not affect the continuity if they occur between the first and second days.

Payment for a statutory holiday shall be at the relief rate if it occurs during the relief period and at the normal rate if it occurs at the beginning or the end of the relief period.

8.3 Acting in a Vacant Position

An employee may act in an existing job in which a vacancy is created, pending the arrival of a successful applicant to the vacancy. When an employee is to be placed in an acting position, the Company shall notify the employee and the chief steward in writing setting out:

1. The reason for the acting position.
2. The general nature of the major duties to be performed.
3. The rate to be paid for the acting position.
4. The expected duration.

The duration of the acting period shall not exceed 90 days from the date the employee is placed in the acting capacity, unless an extension is agreed to by the Company and the Chief Steward of the Union. Pending the arrival of the successful applicant and his/her assuming the normal duties, the acting incumbent who is performing the normal duties and responsibilities of an acting position shall receive the appropriate rate in accordance with the Weekly-Salaried Relief Clause of this Agreement.

NOTE

Failure to notify and/or request further extension accordingly will require payment of the penalty described in the appropriate Weekly-Salaried Relief Clause of this Agreement.

9.0 HOURS OF WORK

9.1 Hours of Work – General

1. Weekly-salaried employees whose basic hours of work are 35 hours per week may be periodically required to change their work location and to work 40 hours per week or the same hours as field staff. All hours in excess of seven hours per day, Monday to Friday, are to be paid at the appropriate premium rate.
2. Certain technician classifications which have been established on a 40-hour week basis shall continue to work normal hours of 40 hours per week but when on field work may be required to work the same hours as the field staff.

3. Employees⁸ in the following classifications and other similar categories as yet undefined who by the nature of their jobs, are required to make public, business or trade contacts outside normal hours shall work a normal work week of 35 hours, Monday to Friday:

Applications Technician
Customer Service Assistant
Service Specialist

Owing to the controlling influences from outside agencies, the normally established daily hours of starting and quitting may require changes. In such instances these changes will be the prerogative of the Company.

4. The normal work week of all weekly-salaried employees of the Corporate Mailing Section shall be 35 hours per week consisting of five days of seven hours per day, Monday to Friday inclusive. Such employees shall normally be free to select variable working hours within the period 7:30 am to 5:30 pm in accordance with Subsection 9.3.

Where, in the opinion of the Company, such selections fail to maintain an effective mail service, the Company may establish hours of work between 7:30 am and 4:30 pm for all employees on the basis of weekly work schedules which shall be posted in the work location seven days in advance of their application. Early starting times shall be rotated equitably among the staff.

9.2 Hours of Work – Specific

With the exception of shift work, head office hours shall be a 35-hour week

8:30 am – 12:00 noon (Monday through Friday)

1:00 pm – 4:30 pm (Monday through Friday)

9.3 Variable Working Hours in Head Office

Employees will be requested each month to select their standard work period for the following month. The work week will consist of five, seven-hour days, Monday to Friday. The hours of work selected must be in accordance with the observation of core working hours of 9:00 a.m. to 11:45 and 1:15 to 3:00.

Employees may select a starting time which is not earlier than 7:00 a.m. and not later than 9:00 a.m. or at 1/4 hour intervals prior to that. Their finishing time will not be earlier than 3:00 p.m. They may select either a 30, 45, 60, 75 or 90 minute lunch period to be taken between 11:45 a.m. and 1:15 p.m. By mutual agreement of the supervisor and the employee a start

⁸ The provisions of Article 4.2(c) and the following Hours of Work – Specific will have no application to these employees.

time may be set as early as 6:30 a.m. with a finishing time no earlier than 2:30 p.m.

The hours of work selected are subject to the supervisor's approval. The supervisor may, if necessary, restrict some employees to the hours of 8:30 am to 4:30 pm (for 35 hour per week employees). The supervisor may not assign 35 hour per week employees to hours of work outside of 8:30 am to 4:30 pm, except as provided for in Section 11.0 – Overtime.

Where in the Company's opinion, a work unit cannot be operated satisfactorily under variable working hours, they will not be implemented in that unit.

Individual deviation from selected work schedules will require the supervisor's prior approval.

9.4 Hours of Work – Outside Head Office

Hours of work (including variable hours of work) in locations other than head office shall be negotiated by the Company and the Chief Steward of the Union.

Where in the Company's opinion, a work unit cannot be operated satisfactorily under variable working hours, they will not be implemented in that unit.

9.5 Hours of Work – Miscellaneous

The normal weekly hours of work shall be 40 for the following classifications and other similar categories as yet undefined:

Line Inspectors
Helicopter Pilots
Air Engineers

NOTE

Meal allowance will only apply when the employee has worked two hours beyond a normal eight-hour day.

10.0 SHIFT WORK

10.1 Shift Differential and Shift Work

It is recognized that from time to time it may be necessary, due to the nature of the Company's operations, to place certain weekly-salaried day working employees on shift work. Where this occurs, the following provisions will apply:

1. Shift work shall not be implemented for a period of three working days or less. If the working period is three days or less, the

appropriate premium rate will be paid for the minimum three-day period.

2. The Company will provide 72 hours' (three calendar days) posted notice of the commencement and termination of a shift. Failure to provide such notice will require a penalty payment of premium rates for all changed hours of work within the notice period.
3. Such a placing on shift work shall not deprive an employee of his/her total number of normal scheduled weekly hours.
4. Revision to the work schedule shall provide for a minimum of 15 hours off between shifts. Failure to provide such time off will require the penalty payment for the first affected shift.
5. Shift differential shall apply to employees required to work on a three-shift schedule or a two-shift schedule and shall not apply for overtime hours.
6. Shift work will be scheduled on a Monday to Friday basis.
7. Work in excess of the total number of normal daily hours will be paid at the appropriate overtime rates.
8. The following shift differentials shall apply:
 - (a) Sixty cents per hour to employees scheduled to work between the hours of 1600 and 2400.
 - (b) Eighty cents per hour to employees scheduled to work between the hours of 0000 and 0800.
9. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 07:00 and 18:00.

10.2 Shift Work – Microwave Alarm Centre Technicians

These employees shall be covered by the provisions of 10.1 except those listed below.

The following items as set out in Part D will not apply to the position of microwave attendant.

1. Section 9.1: Hours of Work – General
2. Section 9.2: Hours of Work – Specific
3. Section 9.4: Hours of Work – Outside Head Office

4. Section 10.1: Shift Differential and Shift Work
5. Section 11.3 number 4: Payment for Overtime
6. Section 11.4
7. Section 11.2: Minimum Payments – Overtime

The following provisions will also apply to the position of microwave alarm centre technician:

10.2.1 Hours of Work and Schedule Provisions

The content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of attendants at each station for a particular basic type of schedule will be adopted. Such preferences will be made known to the Company prior to commencement of preparation of new schedule.

However, if in the Company's opinion, the efficiency of the station or the health of a technician could be detrimentally affected by the chosen schedule, then the Company will provide the Union (chief steward) with reasons or medical opinions why the desired schedule cannot be implemented.

The preference of individual technicians regarding vacation periods will be considered, providing such preferences are made known prior to commencement of preparation of new schedules.

1. A six-month regular schedule, averaging 40 hours per week, posted one month in advance, will be prepared and posted, indicating the days and hours of work (shift) for each employee. The design of the regular schedule shall provide for a minimum of 16 hours off between shifts.
2. Each employee shall have his/her time balance adjusted to zero at the end of the shift cycle nearest to April 30 and October 31. The actual date for striking the balance is to be indicated on the master schedule at the time of posting. Plus time balances shall be paid for at premium rate.

10.2.2 Schedule Alterations

A minimum of seven days' notice shall be given when an employee's hours of work, as shown on the schedule, are to be changed with the following exceptions:

1. Supernumerary hours of work may be changed within a calendar day to supply relief providing a minimum notice of 16 non-working hours is given before the start of the first affected shift. If sufficient notice cannot be provided, this change will not be made.

2. With a minimum of four days' notice, supernumerary days of work may be interchanged with scheduled days off for purposes of relief, meetings (excluding meetings involving the Union), interviews, short leaves of absence, familiarization trips, training programs and for additional help during heavy work load periods. If more than four weeks separates a scheduled supernumerary day from a scheduled day off or four days' notice cannot be given then these may not be interchanged.
3. In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

10.2.3 Penalties

Failure to comply with the notice provisions set out in Subsection 10.2.1(1) and 10.2.2 above shall require the payment of appropriate premium rates until the notice period has elapsed.

NOTE

In the above revisions every effort will be made by the Company to maintain the minimum of 16 hours off between shifts. However, where it is necessary to do so and with the appropriate notice, less than 16 hours off between shifts may be scheduled. These short changes will be limited to two changes per employee for a posted master schedule.

10.2.4 Overtime Definitions

Prearranged Overtime: Work performed outside normal scheduled hours for which notification must be given a minimum of 48 hours in advance, for which time shall be counted from the time the employee reports at his/her headquarters until he/she finishes work at headquarters. In the case of failure to give 48 hours' notice such overtime shall be considered extension or emergency overtime and subject to provisions below.

Extension Overtime: Extension overtime covers work performed outside of normal scheduled hours as continuation or extension of the normal work period in order to complete necessary specific jobs during that work period and for which time shall be counted from normal quitting time until the employee finishes work less any assigned meal periods.

Emergency Overtime: Work outside normal scheduled hours for which there is no prearrangement, or which cannot be considered extension overtime. Such time will be counted from when the employee reports for work at the station until he/she finishes work at the station.

10.2.5 Minimum Payments

1. When minimum payments do not apply, one hour at straight time will be paid in lieu of time spent travelling.
2. All emergency overtime worked shall receive a minimum payment of four hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater. Time shall be counted from the time the employee arrives at his/her regular work headquarters until he/she finishes work at that headquarters.
3. All prearranged work outside normal hours performed or reported for due to lack of notice of cancellation on a scheduled day of work shall receive a minimum of two hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater.
4. All prearranged work performed or reported for due to lack of notice of cancellation on a scheduled day off shall receive a minimum of four hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater.
5. All prearranged overtime work cancelled within 48 hours of the designated work commencement time shall require payment of two hours at the basic rate to all affected employees.

10.2.6 Special Provisions Concerning Overtime

An employee who is required to work continuously for more than 16 hours shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

10.2.7 Premium Payments

The computing of hourly rates for overtime shall be in accordance with the following:

The basic weekly rate of each employee's classification as set out in salary schedule 20, without any increments, premiums or bonuses, shall be divided by 40.

10.2.7.1 Unscheduled Work

As per Part D Item 11.3(1) and (2), paragraphs 1 and 2.

10.2.7.2 Scheduled Work

One and one-half times the employee's basic rate shall be paid for all hours worked on Saturday, Sunday and statutory holidays which occur Monday to Friday inclusive.

Two times the employee's basic rate shall be paid for all hours worked on a statutory holiday which occurs on Saturday.

NOTE

These employees shall receive entitlement for the same number of statutory holidays as Monday-Friday, day-working, weekly-salaried employees. Therefore, when a statutory holiday falls on a Saturday, statutory holiday credit shall not apply.

10.2.8 Shift Differential

A shift differential of 60 cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.

A shift differential of 80 cents per hour shall be paid to employees who are scheduled to work between the hours of 0000 to 0800. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 0700 and 1800.

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment for shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential.

10.3 Shift Work – CADS Personnel

The provisions of this Agreement shall apply to those employees hired after April 1, 1980 and designated by the Company as being required to work shift work to operate the Computer Aided Drafting System (CADS).

1. Employees hired prior to April 1, 1980 will have their day status protected until such time as they apply for and are accepted to a position requiring shift work. Every effort will be made to provide these employees with exposure to CADS work during day hours.

2. Future vacancy notices will identify whether or not shift work is a requirement. The number of shift positions which will be advertised will not exceed that required for the economic utilization of the terminals. Shift positions will be comprised of intermediate, senior and design draftspersons.
3. Applicants to advertised vacancies will not be denied promotion due to the lack of opportunity for training on CADS equipment.
4. Employees who are selected to vacancies which are identified as requiring shift work will be subject to the provisions of this Agreement.
5. Day status employees may volunteer for a trial period of shift work after which time they may either apply for a shift position when vacant or retain their day status as in 1. above.

The provisions of Part 'D' (Weekly-Salaried) of the Collective Agreement shall apply with the exception of:

1. Section 9.2: Hours of Work – Specific
2. Section 10.1: Shift Differential and Shift Work

The following items will apply to the employees working with the CADS:

10.3.1 Hours of Work – Day Work

Employees as defined in this Agreement, may be required to work on “day work”. Day work may include assignments to conventional drafting or to CADS equipment. When employees are transferred to or from day work a minimum of seven days’ notice shall be given. When working day work the provisions of Part 'D' (Weekly-Salaried) shall apply.

10.3.2 Working Conditions – Shift

10.3.2.1 Work Schedules

Although the content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of shift workers for a particular basic type of schedule will be adopted, provided it meets the requirements of the Company for effective operation of the system.

A shift schedule covering a nine week period will be posted a minimum of 14 days before its effective date. The schedule will show the days, hours of work (shifts) for each employee.

For purposes of this Agreement, the shift schedule shall be comprised of an afternoon and/or night shift in addition to day work. The shift rotation

guidelines shall permit an employee to remain on one specific shift for a maximum period of three consecutive weeks without rotation. Assignments to day work are not subject to this limitation.

The design of the schedule will provide for a minimum of 14 hours off between shifts.

10.3.2.2 Hours of Work – Specific

The normal hours of work will be seven hours per day, 35 per week on a Monday to Friday basis.

The shift work hours shall be as follows:

1. Afternoon – 1630 – 2330 hours
2. Night – 0000 – 0700 hours

10.3.3 A minimum of seven days' notice shall be given when an employee's hours of work as shown on the schedule are to be changed.

In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

10.3.4 Failure to comply with the notice provisions set out in Section 10.3(1) and (3) of this Agreement shall require the payment of appropriate premium rates for all full shifts worked until the notice period has elapsed.

10.3.5 Shift Differential

A shift differential of 60 cents per hour shall be paid to employees who work scheduled hours between 1630 and 2330.

A shift differential of 80 cents per hour shall be paid to employees who work scheduled hours between 0000 and 0700. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between 0700 and 1800.

The appropriate shift differential shall be paid for the scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment for shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential.

10.3.6 Shift work will not be scheduled on statutory holidays Monday to Friday.

10.4 Shift Work – Technical Staff (Instructor)

10.4.1 Applicability

This section covers the following classification: Instructor.

10.4.2 Intent

The intent of this section is to provide a framework within which employees in the above named classifications may be assigned to shift work on a Monday to Friday basis for limited periods of time. The “limited period” is to be less than three months in each year for each employee unless the employee involved specifically consents to an extension.

10.4.3 Implementation

When shift work is required, management will solicit preferences for shift work from the employees in the required classifications. If employees with the required skill, knowledge, experience, etc., indicate a preference for shift work, management will select from among these employees. If insufficient qualified volunteers are available, management will assign the shift work to qualified employees, endeavouring to minimize personal inconvenience.

10.4.4 Duration of Shift Hours

The employees who may be required to work shifts under this section include both 35 and 40 hour per week positions. They will work a time balanced schedule.

Forty hour per week employees when assigned to shift work will work the same hours as regular shift workers on shift.

Thirty-five hour per week employees when assigned to shift work will normally work seven-hour shifts. This may, at management’s discretion, be increased to eight-hour shifts.

10.4.5 Special Provisions When on Shift

1. Shift work shall not be implemented for a period of three working days or less. If the working period is three days or less, the appropriate premium rate will be paid for the minimum three-day period.
2. The Company will provide 72 hours’ (three calendar days) posted notice of the commencement and termination of a shift. Failure to provide such notice will require a penalty payment of premium rates for all changed hours of work within the notice period.
3. Such a placing on shift work shall not deprive an employee of his/her total number of normally scheduled weekly hours.

4. Revision to the work schedule shall provide for a minimum of 15 hours off between shifts. Failure to provide such time off will require the penalty payment for the first affected shift.
5. Shift differential shall apply to employees required to work on a three-shift schedule or a two-shift schedule and shall not apply for overtime hours. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between 0700 and 1800.
6. Work in excess of the total number of normal daily hours will be paid at the appropriate overtime rates.

10.4.6 Deleted Provisions When on Shift

When an individual is assigned a shift and the provisions of 10.4.5 are in effect, the following provisions of Part 'D' will not apply:

1. Section 9.1: Hours of Work – General
2. Section 9.2: Hours of Work – Specific
3. Section 9.4: Hours of Work – Outside Head Office

11.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

11.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Prearranged Overtime: Work performed outside the normal scheduled hours for which notification must be given a minimum of 24 hours in advance (21 hours for computer sub-branch shift working employees). Time shall be counted from the time the employee reports for work until the employee finishes work. Where this advance notice is not given, overtime shall be considered as emergency overtime.

Emergency Overtime: Work performed outside the normal scheduled hours which is neither prearranged nor extension overtime. Time shall be counted from the time the employee reports for work until the employee finishes work.

Extension Overtime: Work performed outside the normal scheduled hours as an extension of the normal scheduled hours/shift (either immediately

preceding or following the normal scheduled hours/shift). Time shall be counted from the time the employee reports for work until normal starting time or from normal quitting time until the employee finishes work. Extension overtime will not be used for controllers/dispatchers/trainees where coverage is required for a complete shift and a controller/dispatcher/trainee is available.

11.2 Minimum Payments

All Part 'D' weekly-salaried employees who are called out to work overtime with or without notice shall receive the following:

When minimum payments apply no travel allowance will be paid.

1. All prearranged overtime performed or reported for due to lack of notice of cancellation, Monday to Friday inclusive, shall receive a minimum of two hours at straight time or the actual time worked at the appropriate premium rates, whichever is the greater.
2. All prearranged overtime cancelled with 48 hours of the designated time of work commencement shall require payment of two hours at straight time.
3. All prearranged overtime performed or reported for due to lack of notice of cancellation on Saturdays, Sundays and statutory holidays shall receive a minimum payment of four hours at straight time or the actual time worked at the appropriate premium rates, whichever is the greater.
4. This shall not apply where the overtime period commences on a Saturday, Sunday or statutory holiday, as part of a longer overtime period continuing into the next calendar day.
5. All emergency overtime work shall receive a minimum payment of four hours at straight time or the actual time worked at the appropriate premium rate, whichever is the greater, providing short emergency calls are not repeated within one hour of the completion of a previous call for which the four-hour minimum was paid.

If the call-out occurs less than two hours before the commencement of normal starting time, the minimum will not apply and the appropriate premium rate will be paid continuously from the call-out time until normal starting time.

6. Minimum payments will not apply to concrete inspectors required to work up to two and one-half hours overtime on Friday unless an extra trip to work is required.

11.3 Premium Payments

Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Premium payment for overtime shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours after normal quitting time, Monday to Friday inclusive. It will also apply to the first two hours of overtime worked on an unscheduled day of work.
2. Two times the employee's basic rate shall be paid for:
 - All work performed outside of the first two hours after normal quitting time, Monday to Friday inclusive, and after the first two hours on an unscheduled day of work.
 - All work performed on Saturday, Sunday and statutory holidays which occur Monday to Friday.
3. Overtime rates shall be computed by dividing the employee's basic weekly salary by his/her normal weekly hours of work.
4. Helicopter pilots and line maintenance supervisors (helicopters) whose hours of work are dependent upon weather conditions and other variables inherent in the nature of their jobs do not, except as noted below, receive payment in money for overtime. Compensation for overtime worked shall be made in the form of time off with pay. This time off shall be determined on the basis of one and one-half hours off for each hour worked during the first two (2) clock hours after normal quitting time. For overtime worked outside the first two (2) clock hours after normal quitting time or on Saturdays, Sundays and Statutory Holidays time off shall be at two hours for each hour worked. Time off will be at a time convenient to the Company and the employee. The Company may assign time off to reduce the overtime bank up to twelve (12) days (8 hours per day) per employee per calendar year. Any balance beyond twelve (12) days (8 hours per day) shall be paid at the appropriate rate on the next pay period after April 30th and August 31st. The equivalent time off shall reach a zero balance during the month of December each year.

In the event that this is not accomplished, all outstanding overtime as of December 31 shall be paid for at the appropriate rates. When it is accomplished, any further occurrence of overtime between the date of zero balance and December 31 will be subject to accumulation if necessary and considered for the following year.

11.4 Special Provisions Concerning Overtime

1. In order to alleviate excessive inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees. Where employees feel they have been assigned abnormal amounts of overtime, consideration of such cases shall be considered fit matter for discussion at local level.
2. The Company agrees to control excessive authorized overtime by restricting actual overtime to not more than 12 hours per week, excluding travelling time. Under extraordinary circumstances, the Union will consider waiving the restrictive features of this clause.
3. A travelling allowance up to a maximum of one hour shall be paid at the appropriate overtime rate when an employee is called in to work overtime and an extra trip is involved. See also Section 11.2.
4. Because an employee was required to work overtime or because he/she lost time in changing shifts, he/she shall not be prevented from working his/her total number of normal daily hours in any normal scheduled day of work. If the employee cannot be supplied with the work required to make up the normal daily hours of work in that day, his/her pay shall be adjusted to provide a minimum of his /her normal weekly hours of work.
5. If an employee who has worked overtime and is physically capable and the group of which he/she is ordinarily a member is at work, he/she shall not be deprived of the opportunity of working his/her normal scheduled hours in addition to the overtime he/she may have worked.
6. An employee who has accumulated overtime hours shall receive this in earnings, calculated at the appropriate premium rate and cannot be required to take time off in lieu of payment.
7. An employee who is required to work continuously for more than 16 hours or an employee who accumulates 16 hours of working time in any 24 hour period without a minimum five hour continuous break between 23:00 and 07:00 hours shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work, he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until

an eight-hour rest period is granted. Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest period, and his/her right to continue work at straight time will be governed by Section 11.4(5).

None of the provisions of Subsections 11.4(1), (2), (4), (5) and (6) is applicable to employees referred to in Section 9.1(4).

11.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

- (a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed during the first two clock hours after the normal quitting time of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours after the classification's normal quitting time.

and/or

- (b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours worked in a day. Two times the employee's basic rate for all work performed in excess of two hours in a day.

and/or

- (c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

11.6 Equivalent Time Off Without Pay

See Part 'A' Section 10.2

11.7 Overtime – Marketing and Audio, Visual, Writing and Graphic Design Services

Employees identified in Part D Section 9.1(4) and Audio, Visual, Writing and Graphic Design Services employees shall be paid for all overtime work performed in accordance with Section 11.3.

Employees identified in Part D Part A Section 9.1(4) and Audio, Visual, Writing and Graphic Design Services employees who, by the nature of their jobs, are required to make public, business or trade contacts outside normal hours may, where mutually agreed between the employee and the

supervisor, take time off in lieu of payment for overtime. Where it is agreed that time off in lieu will be taken, such time will be credited on a premium basis in the same manner as would apply if payment had been made. Such time off must be arranged within a two-month period following the date overtime was worked. If this cannot be arranged within the two-month period, payment shall be made.

**TIME ENTITLEMENT -
INFORMATION MANAGEMENT FACILITIES**

	Monday to Friday	Saturday	Sunday	Statutory Holiday Monday to Friday	Statutory Holiday Saturday
Scheduled Hours of Work	Straight Time	Straight Time	Time and one-half	Time and one-half plus statutory holiday credit	Time and one-half
Non-Scheduled Hours of Work	First two clock hours worked after normal quitting time at one and one-half times. All other hours worked at 2 times.	Double Time	Double Time	Double time plus statutory holiday credit	Double Time
Scheduled Day Off	No Entitlement	No Entitlement	No Entitlement	Statutory Holiday Credit	No Entitlement

**TIME ENTITLEMENT -
MICROWAVE ALARM CENTRE TECHNICIANS**

	Monday to Friday	Saturday	Sunday	Statutory Holiday Monday to Friday	Statutory Holiday Saturday
Scheduled Hours of Work	Straight Time	Time and one-half	Time and one-half	Time and one-half plus statutory holiday credit	Double Time
Non-Scheduled Hours of Work	First two clock hours after normal quitting time at one and one-half times. All other hours worked at 2 times.	Double Time	Double Time	Double time plus statutory holiday credit	Double Time
Scheduled Day Off	No Entitlement	No Entitlement	No Entitlement	Statutory Holiday Credit	No Entitlement

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
- DOLLARS PER WEEK

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,047.32	2,112.66	2,178.00
67	1,931.45	1,993.09	2,054.73
66	1,822.29	1,880.45	1,938.61
65	1,719.55	1,774.43	1,829.31
64	1,622.71	1,674.50	1,726.29
63	1,531.56	1,580.44	1,629.32
62	1,445.75	1,491.89	1,538.03
61	1,364.92	1,408.48	1,452.04
60	1,288.78	1,329.91	1,371.04
59	1,217.09	1,255.94	1,294.78
58	1,146.13	1,182.71	1,219.29
57	1,079.42	1,113.87	1,148.32
56	1,016.50	1,048.94	1,081.38
55	957.31	987.86	1,018.41
54	901.54	930.31	959.08
53	849.02	876.11	903.21
52	799.58	825.10	850.62
51	752.97	777.00	801.03

This schedule is applicable to positions established as having a 36, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: March 31, 2011

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>LIBRARIANS</u>						
02	Librarian	1,442.00	1,478.00	1,561.00	1,588.00		
	<u>HELICOPTER POSITIONS</u>						
21	Air Engineer	1,667.46	1,702.79	1,734.69	1,766.38		
22	Helicopter Pilot	2,219.62	2,324.70	2,445.17	2,563.07		
24	Helicopter Maintenance Inspector	1,837.16	1,871.50	1,907.75			
	<u>AUDIO-VISUAL, WRITING AND GRAPHIC DESIGN SERVICES</u>						
33	Editorial Assistant	1,138.12	1,219.42	1,302.11	1,401.63		
34	Artist	1,207.24	1,338.19	1,451.20	1,566.00	1,679.02	1,793.82
41	Assistant Environment Specialist	1,508.16	1,602.42	1,696.68	1,790.94	1,886.20	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
Effective: March 31, 2011

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>		
	<u>COMMUNITY COLLEGE STUDENTS</u>	1st year	2nd year	3rd year			
21	Group 2 - Community College and Polytechnical	702.93	795.69	967.13			
		1st or					
		2nd Term	3rd Term	4th Term	5th Term		
22	Group 3 - Community College and Polytechnical Co-Op Programs	702.93	743.63	826.42	967.13		
<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>UNIVERSITY STUDENTS</u>	1st year	2nd year	3rd year	4th year		
31	Group 4 - University	734.15	967.13	1,001.46	1,134.46		
		1st or					
		2nd Term	3rd Term	4th Term	5th Term	6th Term	7th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	28 mo
32	Group 5 - University Co-Op Programs	734.15	800.62	934.97	1,001.46	1,067.97	1,134.46

NOTES:

1. This schedule is applicable to positions established as having a 36, 37-1/2, or 40-hour basic work week.
2. Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
3. Students will normally be required to join the PWU within 15 days.
4. The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - 4.1 Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
 - 4.2 When a student is placed in a Clerical-Technical position for which a wage or salary grade has been established, the student shall be paid the rate for that position.
5. Allowance will be paid to a summer student in accordance with the normal practice for the setting in which the student works.

Labour Relations
Effective: March 31, 2011

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	569.95
02	2nd year of employment	617.43

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
- DOLLARS PER WEEK

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,108.74	2,176.04	2,243.34
67	1,989.39	2,052.88	2,116.37
66	1,876.96	1,936.87	1,996.77
65	1,771.14	1,827.66	1,884.19
64	1,671.40	1,724.74	1,778.08
63	1,577.51	1,627.85	1,678.20
62	1,489.12	1,536.64	1,584.17
61	1,405.86	1,450.73	1,495.60
60	1,327.44	1,369.80	1,412.17
59	1,253.60	1,293.61	1,333.62
58	1,180.52	1,218.19	1,255.87
57	1,111.80	1,147.29	1,182.77
56	1,046.99	1,080.41	1,113.82
55	986.02	1,017.49	1,048.96
54	928.58	958.21	987.85
53	874.49	902.40	930.31
52	823.57	849.86	876.14
51	775.56	800.31	825.06

This schedule is applicable to positions established as having a 36, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
Effective: March 29, 2012

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>LIBRARIANS</u>						
02	Librarian	1,465.00	1,523.00	1,608.00	1,636.00		
	<u>HELICOPTER POSITIONS</u>						
21	Air Engineer	1,717.49	1,753.87	1,796.62	1,819.37		
22	Helicopter Pilot	2,286.21	2,394.44	2,518.62	2,639.96		
24	Helicopter Maintenance Inspector	1,892.28	1,927.66	1,964.98			
	<u>AUDIO-VISUAL, WRITING AND GRAPHIC DESIGN SERVICES</u>						
33	Editorial Assistant	1,172.27	1,266.00	1,341.16	1,443.68		
34	Artist	1,243.46	1,379.33	1,494.73	1,612.96	1,729.38	1,847.63
41	Assistant Environment Specialist	1,653.41	1,660.50	1,747.68	1,844.67	1,941.76	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: March 29, 2012

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>		
	<u>COMMUNITY COLLEGE STUDENTS</u>	1st year	2nd year	3rd year			
21	Group 2 - Community College and Polytechnical	724.02	809.26	893.14			
		1st or					
		2nd Term	3rd Term	4th Term	5th Term		
22	Group 3 - Community College and Polytechnical Co-Op Programs	724.02	766.64	851.21	893.14		
<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>UNIVERSITY STUDENTS</u>	1st year	2nd year	3rd year	4th year		
31	Group 4 - University	766.17	893.14	1,031.60	1,168.48		
		1st or					
		2nd Term	3rd Term	4th Term	5th Term	6th Term	7th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	29 mo
32	Group 5 - University Co-Op Programs	766.17	824.64	963.02	1,031.60	1,100.01	1,168.48

NOTES:

1. This schedule is applicable to positions established as having a 36, 37-1/2, or 40-hour basic work week.
2. Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
3. Students will normally be required to join the PWU within 16 days.
4. The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - 4.1 Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
 - 4.2 When a student is placed in a Clerical-Technical position for which a wage or salary grade has been established, the student shall be paid the rate for that position.
5. Allowance will be paid to a summer student in accordance with the normal practices for the setting in which the student works.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	587.05
02	2nd year of employment	635.95

NOTES

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APPENDIX “A”

**for Construction and
Supplementary Maintenance**

made and entered into

BETWEEN

**HYDRO ONE INC.
(the “Employer”)**

and

**POWER WORKERS’ UNION (PWU)
(hereinafter called the “Union”)**

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SECTION 1 PREAMBLE

100 WHEREAS the Union, as defined in the covering page of this Collective Agreement, has in its membership competent, skilled and qualified workers to perform the work coming within scope of this agreement; and

WHEREAS Hydro One Inc. and the Union desire to mutually establish and stabilize wages, hours and working conditions for all employees of Hydro One Inc. performing construction and supplementary maintenance work and further, to encourage closer co-operation and understanding between Hydro One Inc. and the Union to the end that a satisfactory, continuous and harmonious relationship will exist between the parties to this Agreement.

NOW THEREFORE, The Company and the Union mutually agree that the working conditions as set out below shall be applicable to these employees of Hydro One Inc.

SECTION 2 SCOPE OF AGREEMENT

- 200
- A. Hydro One Inc. recognizes the Union as the sole bargaining agent for all employees who perform construction and maintenance work save and except that work which is performed by other unions within the scope clauses of their current Collective Agreements with Hydro One Inc.
- B. This section applies to all work as defined in A. above save and except that work which is performed by PWU regular employees as defined in the main agreement and shall include the following classifications:

Electrician Journeyperson including senior forepersons, forepersons and sub-forepersons
Electrician Apprentice
Electrical Forester – Journeyperson including senior foreperson, forepersons and sub-forepersons
Electrical Forester – Apprentice
Electrical Forester – Skidder Operator, including senior foreperson, forepersons and sub-forepersons
Electrical Forester – Labourer including senior foreperson, forepersons and sub-forepersons
Linepersons (formerly lineman) including senior forepersons, forepersons and sub-forepersons
Line Apprentice
Communication Electrician including senior foreperson, forepersons and sub-forepersons

Mechanical Trades Persons including senior foreperson,
forepersons and sub-forepersons
Mechanical Trade Apprentice
Civil Trade Apprentice
Civil Trades Persons including senior forepersons,
forepersons and sub-forepersons
General Helper
Meter Reader
Meter Reader 'B'
Stockkeeper
Operator 1, 2, 3

Such other classifications subsequently agreed to by the parties.

An employee of any classification required to operate vehicles or work equipment shall have a current license as required by provincial legislation.

Additional Classifications:

On the request of the Hydro One Inc. Vice President Labour Relations, or the PWU Sector Vice President, the parties will meet to discuss the merits of adding any new classifications.

The parties will consider adding a classification when:

1. Work is required in the classification and,
2. Regular employees are not available to perform the work and,
3. The work is not ongoing in nature.

Nothing in this clause limits the current right of Hydro One Inc. to hire temporary employees in those classifications not included in Appendix "A".

- C. The Union recognizes Hydro One Inc. as the exclusive Employer agency for this Agreement, and in all matters pertaining to the administration of this Agreement.
- D. The term "employee" refers to all casual employees of the Employer in the classifications as set out in Item B above.

E. A sub-foreperson is an individual who exercises some supervisory responsibility and may use the tools of the trade.

F. The term "Employer" shall mean Hydro One Inc.

201 A. This Agreement shall be deemed to include any additional Appendix and/or wage schedule added, as the said appendices and/or wage schedules may be revised by Hydro One Inc. and the Union by mutual agreement, from time to time.

202 Geographic Jurisdiction

A. The jurisdiction of the Union is all of Hydro One Inc.

SECTION 3 MID-TERM AGREEMENT

302 A. This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto.

SECTION 4 WORK ASSIGNMENT

400 A. No Construction and/or supplementary maintenance work for Network Services shall be contracted or subcontracted except where Network Services does not normally perform the work of the Mechanical and/or Civil Trades, such work may be contracted or subcontracted.

B. Hydro One Inc. will provide notice to the Union as far in advance as possible of all new work coming under the scope of this Appendix and all related contracted or subcontracted work.

C. The jurisdiction of the Union shall be as described in Section 2 of this Appendix.

D. The jurisdiction of each classification shall be established by the Union.

SECTION 5 UNION RIGHTS AND REPRESENTATIVES

501 A. The Union will designate Union representatives as Accredited Union Representatives to handle the day-to-day administration of this Agreement. The Union will notify Hydro One Inc. Management in writing of the names of such Union representatives, or alternates in the event of illness or unavailability,

so that they may be issued identification cards to permit entry to work locations. Upon entering the work location, such representatives after identifying themselves to the Hydro One Inc. representative will be free to observe the progress and conduct of the work and to conduct normal Union business associated with the administration of this Collective Agreement. The Union undertakes that these representatives will not unduly interfere in any way with said work.

502

- A. The Union reserves the right to appoint or remove any Steward or Senior Steward on any work site where workers are employed under the terms of this Agreement. If a Steward is transferred to another worksite, and they will continue to be recognized as a Steward unless there is another Steward on that site. In such cases, the transferred Steward will not be recognized unless the Employer is notified by the Union.
- B. The Hydro One Inc. Representative shall be notified in writing when a Steward or Senior Steward is appointed and when such Stewards cease to act as Stewards.
- C. The Steward will be responsible for his/her regularly assigned work on behalf of his/her Employer.
- D. Such Stewards shall be allowed sufficient time to see that the provisions of this Agreement are observed.
- E. No Steward shall be discriminated against by the Employer because of the performance of their duties as a Steward.
- F. Provided he/she is qualified to do the work, a Steward who is working at a worksite where overtime is being worked shall be given the first opportunity to work on that overtime work.

Provided he/she is qualified to do the work, a Steward who is working in a work group where overtime is being worked on Saturdays, Sundays or Recognized Holidays shall be given the first opportunity to work.
- G. Where appropriate as decided by the Union and where more than one Steward is required, one Steward shall be appointed Senior Steward.
- H. The Senior Steward, providing he/she is qualified to perform the work, shall not have their employment

terminated or be transferred without the consent of the Accredited Union Representative until as near as possible to the completion of the job, unless with just cause. Where an Employer has only one Steward appointed for a job, such Steward will receive the same consideration given a Senior Steward as noted above.

- I. The Employer shall notify the Union prior to transferring a Steward to another Superintendent.
- 503 A. Any worker acting as the designated or certified Health & Safety representative or alternate as defined by the Occupational Health & Safety Act shall be treated the same as Senior Stewards for purposes of layoff. Providing he/she is qualified to perform the remaining work, the designated certified Health & Safety representative or certified alternate shall be the last to be laid off prior to the Senior Steward.
- B. If management feels that any Health and Safety representative is not discharging his/her health and safety duties in a manner that follows the intent and spirit of the legislation, the Employer may refer the issue to the Joint Committee referred to in Section 15 for resolution. If the matter cannot be resolved by the Joint Committee, the grievance procedure may be invoked.

SECTION 6 EMPLOYEE DESIGNATION

- 600 A. It is understood that senior forepersons, forepersons and sub-forepersons hold responsible positions in the relationship between the Employer and the Union. Both parties agree that every effort should be made to recruit and retain senior forepersons, forepersons and sub-forepersons who have a high degree of efficiency in the performance of their jobs and in the handling of their workers. Recognizing the responsibilities involved in performing supervisory duties and being a member of the Union, the Employer and the Union will make every effort to minimize problems that may arise which concern the relationship between the foreperson, senior forepersons and sub-forepersons, the Employer, and the Union.
- B. The parties recognize the responsibilities of senior forepersons and forepersons to discharge their supervisory duties. If the Union feels that the senior foreperson and foreperson is not discharging his/

her supervisory duties in a manner that is fair and equitable, or if an Employer feels that the Union is interfering with the senior foreperson or foreperson in the performance of his/her supervisory duties, the Employer or the Union may refer the problem to the Joint Committee referred to in Section 15 – Committees, Subsection 1500 – Joint Committee, for resolution. If the matter cannot be resolved by the Joint Committee, the grievance procedure may be invoked by either party.

- C. The selection of forepersons will be the responsibility of the Employer and done by name hiring from Union members. When making appointments to the foreperson and subforeperson levels, the Employer will give consideration to those PWU members presently employed pursuant to this Appendix however this does not create an obligation to make an appointment of a foreperson from these employees. The retention of forepersons will be the exclusive right of the Employers.
- D. Such forepersons and subforepersons shall be members of the PWU and shall register at the Union Office be issued with clearance cards. If clearance has not been provided within three (3) working days the Employer may proceed with the employment of the foreperson unless the employee's Union dues are in arrears.
- E. In the interest of efficiency and productivity, the Employer shall have the right to move forepersons and sub-forepersons from worksite to worksite.
- F. The senior forepersons differential shall be fifteen (15) percent above the journeyperson rate differential as set out in the existing wage schedule. The senior foreperson has responsibilities over and above the forepersons e.g., multiple crews. The foreperson's differential shall be twelve (12) percent above the journeyperson rate differential as set out in the existing wage schedules. The sub-foreperson's differential shall be six (6) percent above the journeyperson rate differential as set out in the existing wage schedules. The rates of pay for all forepersons and subforepersons covered by this Agreement will be set forth in the current wage schedules. Hydro One Inc. will provide the Union with current wage schedules.
- G. PWU members acting as a General Foreperson for periods of less than three (3) months shall be members of the Union.

- H. Persons appointed to foreperson and senior forepersons positions will be provided supervisory training, prior to appointment, when possible.
- I. Forepersons may be required to work the tools when the crew size is five (5) or less including the foreperson.
- J. Employees employed under this Appendix shall work in separate crews with separate Union Supervision unless mutually agreed upon otherwise by Management and the PWU Sector Vice President.

SECTION 7 UNION SECURITY

- 700
- A. All employees falling under the scope of this agreement will be members or will apply for membership in the PWU within fifteen (15) calendar days, and will maintain such membership in good standing in the Union as a condition of employment. The Employer will cooperate with the Union but bears no responsibility for policing membership status.

SECTION 8 EMPLOYMENT PRACTICES/HIRING

- 800
- A. A contact person will be designated by Hydro One Inc. for the purpose of co-ordinating employment as specified in this Section.
 - B. Hydro One Inc. and the Union will exchange the names of their representatives who will be responsible for co-operating in the referral and employment of reliable and competent Union members.
 - C. Hydro One Inc. will notify the Union of future staffing requirements for all employees coming within the scope of this Agreement.
 - D. The Union will co-operate with the Employer and advise the Hydro One Inc. contact person of the name, address and telephone number of those being referred as soon as it is known and before the employee commences work.
 - E. The Union will review the job description and Physical Demands Analysis (PDA) with potential employees prior to referral to Hydro One Inc. The employee will be expected to sign off the job description and PDA on hire.

- F. The Union will direct members to provide, at hiring, all applicable licenses and certificates. ***In addition, upon hire, all referrals who are members of and/or referred by the Labourers Internal Union of North America (LIUNA) must provide proof of standard Safety, First Aid, CPR & AED training in the same manner as outlined in the EPSCA/LIUNA OPDC MOA/Collective Agreement.***

801

- A. The employment of workers shall be carried out on the following basis and sequence:
- (i) Such workers shall not be employed unless they are in possession of a clearance card from the Union office.
 - (ii) If the Union is unable to furnish appropriately qualified or certified members or non-member (permit holders) workers to the Employer within three (3) working days of the time the Union office receives the request for workers (excepting Saturdays, Sundays, and Holidays), the Employer shall be afforded the right to employ workers (permit holders) as are available. The Union will issue clearance cards to workers hired in these circumstances. Non-members referred in this situation will be considered permit holders and the Union will notify the Employer when permit holders are referred.

Permit holders by classification may be replaced by Union members after three (3) working days' notice to the Employer but in no case until such permit holders have worked a minimum of one (1) month.

802

- A. When unable to proceed with work, an Employer may elect to either layoff or standoff part or all of his/her crew. The Employer shall provide the Union with the names and classifications of affected employees within a reasonable amount of time.

In all cases of layoff the Employer shall layoff its employees within the classification in the following sequence:

- (i) permit holders;
- (ii) Union members;

B. The purpose of this Section is to ensure fair and equitable treatment of employees in the event of reductions in the work force while, at the same time, allowing the Employer to direct and deploy the work force. Nothing in this Section restricts the Employer's right to transfer employees to meet work demands.

(i) The retention of employees who are members of the Union and covered by this Agreement in the Employer's service shall be governed by this Section.

(ii) For the purposes of this Section, there shall be the following classifications of employees:

Electrician Journeyperson including senior foreperson, forepersons and sub-forepersons

Electrician Apprentice

Electrical Forester – Journeyperson including senior foreperson, forepersons and sub-forepersons

Electrical Forester – Apprentice

Electrical Forester – Skidder Operator, including senior foreperson, forepersons and sub-forepersons

Electrical Forester – Labourer including senior foreperson, forepersons and sub-forepersons

Linepersons (formerly lineman) including senior foreperson, forepersons and sub-forepersons

Line Apprentice

Communication Electrician including senior foreperson, forepersons and sub-forepersons

Mechanical Trades Persons including senior foreperson, forepersons and sub-forepersons

Mechanical Trade Apprentice

Civil Trade Apprentice

Civil Trades Persons including senior foreperson, forepersons and sub-forepersons

General Helper

Meter Reader

Meter Reader 'B'

Stockkeeper

Operator 1, 2, 3

Such other classifications subsequently agreed to by the parties in Section 2.

(iii) Employees to be retained must have the necessary qualifications skills and ability to satisfactorily perform the work to be done.

- (iv) Seniority as used in this Section is based on the employee's Established Commencement Date (ECD).
 - (v) In the event of a reduction of staff (excluding standoffs) and subject to (iii) and (iv) above, employees who are not members of Union shall be laid off prior to employees who are members of Union. Employees who are not members of Union shall not be subject to the conditions contained in (vi) below.
 - (vi) Subject to (iii) and (iv) above, the following conditions shall apply:
 - (a) In the event of a reduction of staff (excluding standoffs), the Employer will identify which of the classifications listed in (ii) will be affected.
 - (b) In the event of a reduction of staff (excluding standoffs), employment retention by seniority shall be as follows:

0 to (9) months	No Seniority
Nine (9) months to (5) years	Seniority by Geographic Territory (Southwestern, Central, Eastern, Northeastern & Northwestern)
Over five (5) years	Seniority Province Wide
- * When relocating employees as a result of the application of this Section, the Employer shall provide transportation or pay the equivalent of the cost of public transportation or mileage, whichever is deemed appropriate by the Employer, for the initial trip to the new work location from the employee's most recent work location. The Employer shall also pay travelling time at the appropriate straight-time rate up to a maximum of eight (8) hours per day.
- (vii) In cases involving reduction of staff, an employee will not lose their service credit

unless he/she has a break in service of greater than six (6) months. An employee terminated for any of the following reasons will not lose their service credit unless he/she has a break in service of greater than three (3) months:

- (a) voluntary termination;
- (b) layoff necessitated by refusal to accept a transfer resulting from the implementation of the Seniority Clause.

For discharge for cause the employee will immediately lose their service credit.

C. Standoff

- (i) Standoff is a mechanism to be utilized for short durations by the Employer, when work is delayed e.g., spring breakup (1/2 load season) material shortages, outages and release of scheduled work. The standoff process is not intended to circumvent the Layoff procedure.
- (ii) If the Employer elects standoff, it reserves the right to standoff its employees including stewards without pay up to a maximum of fifteen (15) consecutive working days. No daily travel or room and board allowance will be paid to an employee for a standoff period. Senior stewards shall only be placed on standoff when all others in the work group are on standoff.
- (iii) If standoff continues beyond fifteen (15) consecutive working days, an employee, at his/her option, may elect to remain on standoff up to a maximum of 45 days or be removed from standoff at anytime during that 45 days.
- (iv) An employee who elects to remain on standoff shall be issued a Record of Employment Form indicating "standoff – lack of work" dating back to his/her first day on standoff.
- (v) If an employee elects layoff, it shall be carried out in accordance with the terms of Subsection 802, Item A and B. Where appropriate, an employee laid off will be issued a Record of Employment Form indicating "layoff – shortage of work" dating back to his/her first day on standoff.

- (vi) No employee shall be placed on standoff more than twice annually, in a calendar year (January 1st to December 31st), unless additional standoff(s) is agreed to by the employee.
- (vii) Notwithstanding the limitations to the duration of standoff in this Section, the Employer and the PWU Sector Vice President may agree to longer standoff duration to accommodate snow conditions that restrict the access to the work.

803

A. Transfer of Employees

- (i) The Employer reserves the right to transfer employees to meet its needs, having regard for the special requirements of the work. The Employer shall provide transportation or pay the cost of public transportation or pay mileage at \$.40 per kilometer whichever is deemed appropriate by the Employer, for the initial trip to the new work location from the employee's most recent work location. The Employer shall also pay travelling time at the appropriate straight-time rate up to a maximum of eight (8) hours per day.
- (ii) The Employer will make every reasonable effort to transfer employees as near as possible to their regular residence as the work permits.
- (iii) Employees who are receiving subsistence allowance shall be notified of all potential transfers or layoffs no later than Thursday of the previous week.

B. Transfer Line Work

- (i) When making decisions regarding the transfer of individual employees or crews for line work, the Employer shall adhere to the transfer process detailed in subsections C and D, subject to the following exclusions from application:
 - (a) Transfers within a Superintendent's jurisdiction.
 - (b) Individual employees and crews with specialized skills.
 - (c) Forepersons.

- (d) Apprentice in conjunction with the mandate of the Joint Apprenticeship Council on transfers.

C. Individual Transfers

- (i) Prior to implementing any transfers of individual employees for line work, the Employer shall identify the work location requiring additional staff and the work location with staff available for transfer. The Employer shall first attempt to satisfy a requirement for additional staff by considering any outstanding requests for transfers which are on file and requesting volunteers from the work location with available staff.
- (ii) If there is an insufficient number of volunteers to meet requirements, the Employer shall request additional volunteers from the "Work Group" covering the above work location.
- (iii) Volunteers from the appropriate classification will be transferred to meet requirements.
- (iv) If after soliciting volunteers through steps (i) and (ii) there are still insufficient volunteers, then the most junior person in the appropriate classification within the "Work Group" will be transferred.

D. Crew Transfers

- (i) Crew transfers to another work group will be of a temporary nature and last no more than six (6) weeks in duration. Subject to the approval by the Union, crew transfers may be extended beyond six (6) weeks in duration.
- (ii) Prior to selecting the crew(s) to transfer for line work, the Employer will identify the location requiring the additional crew(s) and the work location having the available crew(s) for transfer.

E. Transfer for Other Than Line Work

- (i) When making decisions regarding the transfer of employees for other than line work the Employer shall adhere to the transfer process

detailed in subsection (ii), subject to the following exclusions from application:

- (a) Transfers within a Superintendent's jurisdiction.
- (b) Individual employees with specialized skills.
- (c) Foreperson.
- (d) Apprentices in conjunction with the mandate of the Joint Apprenticeship Council on transfers.

(ii) Transfers

- (a) Prior to implementing any transfers for other than line work, the Employer shall identify the work location requiring additional staff and the Superintendent with staff available for transfer. The Employer shall first attempt to satisfy a requirement for additional staff by considering requests for transfers from volunteers.
- (b) If there is an insufficient number of volunteers to meet requirements, the Employer will select the most junior person in the appropriate classification under the Superintendent to be transferred.
- (c) Exception: When the Superintendent has responsibility for an unusually large geographic area, the work group may be split into sub-groups by mutual agreement of the parties and the Employer will transfer the most junior person from the appropriate classification within the "sub group". It is agreed that the current geographic area of the Superintendent in the North falls under this exception rule.

F. The Employer reserves the right to transfer employees between all construction sectors to meet its needs.

804

A. The designated certified Health & Safety Representative and certified Health & Safety alternate, Joint Health & Safety Committee members, Health & Safety Representatives, and Union Safety Representative shall be excluded from the transfer provisions. These

individuals will be transferred by joint agreement of the Superintendent and the Accredited Union Representative based on the overall health, safety and efficiency needs of both parties.

SECTION 9 HOURS OF WORK

- 900 A. The normal weekly hours of work for all employees of Employers covered by this Agreement shall be forty (40).

The weekly hours shall be:

- (i) worked in five (5) days of eight (8) hours each, Monday to Friday inclusive, or
- (ii) the weekly hours of work (Monday to Friday inclusive) for all employees may be arrived at by having the employees work four (4) consecutive ten-hour shifts or by having the employees work five (5) consecutive eight-hour shifts. Weekly hours will be established for a minimum period of thirty (30) days. Fifteen (15) days written notice shall be sent to the local Union prior to a change in weekly hours. The notice period may be reduced with unanimous agreement of the affected crew.

- 901 The normal daily hours, as provided for in Subsection 900, Item A, are to be worked between 7:00 am and 6:00 pm.

- 902 A. (i) For employees working normal hours on a five (5) day work week, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, for each half shift worked.
- (ii) For employees working normal hours on a four (4) day work week, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, for each half shift worked.
- B. For employees required to work overtime, a ten (10) minute rest period will be allotted prior to the end of the normal shift before commencing overtime work.
- C. For employees working overtime, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, after each two (2) hours of overtime worked.
- D. A thirty (30) minute lunch break shall be provided at a time established by the Employer.

- 903
- A. An employee who reports for work, unless directed not to report the previous day by the Employer, shall receive a minimum of two (2) hours pay plus the appropriate daily travel or board allowance at the applicable rate when he/she reports for work but is unable to commence or continue to work because of circumstances beyond his/her control. An employee will not receive this allowance if unable to complete the shift as a result of inclement weather.
 - B. Notwithstanding Subsection 903, Item A above, when an Employer considers it necessary to shut down a job to avoid the possible loss of human life, because of an emergency situation that could endanger the life and safety of an employee, in such cases, employees will be compensated for the actual time worked plus applicable travel or board allowance.
- 904
- A. An employee who reports for work at the beginning of a shift and is unable to commence work due to inclement weather will receive pay for one half of the scheduled shift at the applicable rate. To qualify, the employee must remain at a protected place or area as designated by the Employer for one half of the scheduled shift unless excused by an authorized representative of the Employer.
 - B. An employee who reports for and commences work but is unable to continue work due to inclement weather shall receive pay for one half of the scheduled shift at the applicable rate of pay for the actual time worked for that shift, whichever is greater.
 - C. An employee in receipt of inclement weather pay shall also receive travel or board allowance if applicable.
- 905
- A. The holidays recognized under this Agreement are:

New Year's Day	Civic Holiday
Family Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Christmas Day
Victoria Day	Boxing Day
Canada Day	
 - B. Recognized holidays falling on a Saturday or Sunday shall be observed on the following Monday. When Christmas Day falls on a Saturday or Sunday, it shall be observed on the following Monday and Boxing Day on the following Tuesday.

- A. When working an eight (8) hour day on a five (5) day per week work schedule, overtime shall be paid at 1-1/2 times their straight time rate for all work performed during the first two (2) hours after normal quitting time.

When working a ten (10) hour day on a four (4) day per week work schedule, overtime shall be paid at 1-1/2 times the straight time rate for all work performed during the first two (2) hours after normal quitting time.

Employees who work in excess of twenty-four (24) hours continuously will continue to be paid premium rate for all additional hours worked until such time as the employee receives an eight (8) hour break from work.

All other hours worked outside the normal daily scheduled hours and overtime worked on Saturday, Sunday, Recognized Holidays and non-shift days shall be paid at two (2) times the straight time rate.

- B. When an employee has not been notified the previous day that he/she will be required to work for more than two (2) hours beyond the normal quitting time of his/her shift, and after approximately two (2) hours has been worked, he/she shall be provided with a lunch and allowed thirty (30) minutes to consume same at the base hourly rate of pay. After each additional four (4) hours is worked, the employee shall be allowed thirty (30) minutes to eat at the base hourly rate of pay and a lunch when work is required beyond that four (4) hour period.

Where an employee has been notified the previous day, no lunch will be provided, but the employee will be allowed thirty (30) minutes to eat at the base hourly rate of pay.

When a paid meal period overlaps a rest period, the paid meal period will supplant the rest period.

The above-noted is not applicable to the first eight (8) hours worked on Saturdays, Sundays and Recognized Holidays.

- A. When an employee is called in to work outside of his/her normal hours of work, he/she shall receive a minimum of two (2) hours work at two (2) times the straight time rate plus travel allowance where applicable.

- B. If the employee's normal hours of work commence within this two (2) hour period, the employee will be paid two (2) times the straight time rate for the actual hours worked and revert to his/her normal rate at the commencement of his/her normal hours of work.
- 908 A. (i) Shift work may be established on all work except tower erection and stringing operations provided that there are at least four (4) consecutive days of shifts to be worked excluding Saturdays, Sundays and Recognized Holidays.
- (ii) Where shift work is established, the normal shift hours shall be the same as the day hours.
- (iii) The normal starting time for day shift hours shall be the same as the day work hours described in Subsection 901.
- (iv) The second shift hours shall commence with the conclusion of the day shift hours.
- B. (i) Employees required to work shift work on the second shift of a two-shift operation shall receive a shift differential of time and one-seventh for normal scheduled shift hours worked. If an employee is removed from their scheduled shift prior to completing four (4) consecutive shifts, the employee will be paid shift differential for the balance of the four (4) consecutive shifts that would have been worked had the employee had not be reassigned, up to a maximum of four (4) days of shift differential.
- (ii) No employee shall be required to work more than one shift in any twenty-four (24) hour period unless the overtime rate is paid.
- (iii) The shift rate will be based on the day in which the shift begins.
- 909 A. It may be necessary from time to time to vary the hours of work established in Subsections 901 and 908. Any amendments to the hours of work will be established by mutual agreement between Hydro One Inc. and the Union.

- 910 A. Annual unpaid entitlement vacation shall be twenty (20) working days and in special circumstances, upon agreement of the Union and the Employer additional vacation may be granted providing work scheduling will permit. All vacation will be taken with the approval of the Employer and approval shall not be unreasonably denied.

SECTION 10 WAGES AND PAY PROCEDURE

- 1000 A. Wage rates for employees in the classifications listed in Subsection 200, Item B, of this Agreement shall be as set forth in the current wage schedules. Hydro One Inc. will provide the Union with current wage schedules.
- B. Wage rates for all classifications listed in Sub-section 200, Item B of this Agreement, excluding acting general forepersons, senior forepersons, forepersons and sub-forepersons (see section 600 F & G), will be drawn up in accordance with the following Table of Relationships. This table indicates the relationship to be maintained between the basic classifications within the bargaining unit. Changes in basic classification wage rates shall be accompanied by changes in the subsidiary classification wage rates in accordance with the percentages shown in the table. Base Rate is calculated by subtracting Vacation and Statutory Holiday pay, the Pension remittance and the Welfare remittance from the Total Wage Package for non-Civil Certified Trades. The Total Wage Package for non-Civil Certified Trades shall be \$50.47.

Table of Relationships

<u>Classification</u>	<u>Percent of *Base Rate</u>
Certified Trade 5 year Apprenticeship (other than Civil Trades)	
- Journeyperson	*100
- Apprentice	
5th period	80
4th period	70
3rd period	60
2nd period	50
1st period	40

ClassificationPercent of *Base Rate

Certified Trade 4 year Apprenticeship
(other than Civil Trades)

- Journeyperson	*100
- Apprentice	
4th period	80
3rd period	70
2nd period	60
1st period	50

Certified Civil Trade e.g. Carpenters, Painters, Insulators, Asbestos Workers, Plasterers, Cement Masons and Operators which have an Apprenticeship Program will be paid at ninety-five (95) percent of base rate for Journeyperson Lineperson. Apprenticeship rates are based on this rate.

- Welder	100
- Electrical Forester/Stockkeeper	85
- Apprentice (Apprentice rates are based on Electrical Forester rate.)	
4th period	80
3rd period	70
2nd period	60
1st period	50
- Electrical Forester (Skidder Operator)	70
- Electrical Forester (Labourer)	55
- General Helper	55
- Civil Trades (No Apprenticeship)	85
- Meter Reader	68

1001

A. Normal

- (i) Employees shall be paid weekly and payment for any given week will be made not later than the sixth working day after the close of the payroll period, but in any event, not later than Thursday of the following week.
- (ii) Wages shall be paid by the Employer at the work location, before quitting time, in cash or by cheque, payable at par in the locality of the work location. Accompanying each payment of wages shall be a statement, in writing, which can be retained by the employee, setting forth:

- (a) the period of time or the work for which the wages are being paid;
 - (b) the rate of wages to which the employee is entitled;
 - (c) the amount of wages to which the employee is entitled;
 - (d) the amount of each deduction from the wages of the employee and the purpose for which each deduction is made;
 - (e) any allowance or other payment to which the employee is entitled;
 - (f) the amount of vacation pay for which the employee is being credited;
 - (g) the amount of recognized holiday pay for which the employee is being credited; and
 - (h) the net amount of money being paid to the employee.
- (iii) In cases where inclement weather is declared on pay day, employees will receive their pay before leaving the work location provided it is available at the work location.

B. On Termination

- (i) An employee who voluntarily terminates their employment will be provided final pay on the next regular pay day for the period worked.
- (ii) At work locations where the Employer does not have an on-site pay office, an employee will have final pay and termination documents mailed to their residence within eight (8) working days from termination. This does not preclude an employee being paid his/her final pay at the work location prior to the expiration of the eight-day period.
- (iii) An employee who is discharged shall be provided with his/her final pay immediately if the Employer's pay facilities are at the work locations or as per Item B (ii) above, if the Employer's pay facilities are not at the work location.

- (iv) Failure of the Employer to comply with the requirements in Clause 1001 B (I), (ii) and (iii) will entitle the employee to two (2) hours at the straight time rate for each normal work day of non-compliance.

SECTION 11 UNION AND BENEFIT FUNDS

- 1100
 - A. The Employer agrees to deduct from the total wage package above and pay into an operative welfare plan for all hours earned. Such welfare payments will be set forth in the wage schedules provided by Hydro One Inc.
 - B. The Employer agrees to deduct from the total wage package and pay into an operative retirement plan an amount of money per hour to be determined by the Union for all hours earned. Such pension payments will be set forth in the wage schedules provided by Hydro One Inc.
- 1101
 - A. The vacation and recognized holiday pay rate shall be ten (10) percent of vacationable gross earnings. The vacation pay rate shall be four (4) percent and the recognized holiday pay rate shall be six (6) percent.
 - B. Payment of vacation and recognized holiday pay shall be made weekly.
- 1102
 - A. The Employer agrees to deduct Union Funds from wages and to remit the amounts deducted to the Union. The amounts to be deducted and remitted will be as set out in the wage schedules attached hereto.
 - B. A checkoff system of Union initiation fees and dues will be made operative for the lifetime of this Agreement. The Employer will supply full check-off lists of employees subject to checkoff at regular intervals and agrees to collect monthly for the Union dues payable to the Union. The Employer will transmit the monies so collected to the designated officials of the Union. The Union will indemnify the Employer for any liability arising from the deduction of initiation fees and dues as requested by the Union.
 - C. The Employer shall put into effect any changes to Union funds or dues upon notification by the Union.
 - D. The Employer will arrange for each worker falling under the jurisdiction of the Union to sign a Union dues checkoff authorization as a condition of employment at the time he/she is employed.

SECTION 12 TRAVEL AND ROOM AND BOARD ALLOWANCE

1200 Daily Travel Allowance

- A. The daily travel allowance will be paid by the Employer to its employees who are not living in camp or receiving a subsistence allowance as referred to in Subsection 1201, on the following basis:
- (i) If an employee lives within 40 radius kilometers of the work location or declared assembly point * no travel allowance will be paid.
 - (ii) If an employee lives within 40-56 radius kilometers of the work location or declared assembly point they shall receive **\$23.30 (effective April 1, 2012, \$24.00)** per day travel allowance for each day worked or reported for.
 - (iii) If an employee lives within 56 to 80 radius kilometers of the work location or declared assembly point they shall receive **\$27.85 (effective April 1, 2012, \$28.69)** per day travel allowance for each day worked or reported for.
 - (iv) If an employee lives within 80-97 radius kilometers of the work location or declared assembly point they shall receive **\$32.41 (effective April 1, 2012, \$33.38)** per day travel allowance for each day worked or reported for.
 - (v) If an employee lives greater than 97 radius kilometers from the work location or declared assembly point, and does not qualify for subsistence allowance under Subsection 1201 below, they shall receive **\$36.66 (effective April 1, 2012, \$37.76)** per day travel allowance for each day worked or reported for provided the employee continues to travel greater than 97 radius kilometers daily.
- * For the purpose of this Section, “declared assembly point” is a material yard, field office or other location that may from time to time be designated by the Employer as a location for assembling prior to leaving for the work location.
- (vi) When an employee is directed to report to a location that involves travelling around

a natural barrier, the distance around the natural barrier shall be the shortest distance measured by a series of straight lines. The sum of the distance of these straight lines shall be applied to the ring concept to establish the employee's travel allowance entitlement, board allowance entitlement and initial and return allowance entitlement.

- (vii) A natural barrier is defined as any obstruction or impediment which creates an unreasonable relationship between radius kilometres and actual kilometres travelled.

A joint team, made up of one Union representative and one Management representative will review situations where employees feel the relationship between radius kilometres and actual kilometres travelled is unreasonable and decide the issue without prejudice or precedent.

- B. The Employer reserves the right to base daily travel allowance on the distance in radius kilometres from where an employee lives to either the work location or declared assembly point, depending on where the employee is directed to report.

1201

Room and Board Allowance (Subsistence)

- A. The following conditions will apply for employees whose regular residence* is more than 97 radius kilometres from the work location or declared assembly point:

- (i) An Employer may supply either:
- (a) free room and board in camp or a good standard of board and lodging; or
 - (b) a subsistence allowance; or

* For the purpose of this Section "regular residence":

1. The place where the employee maintains a self-contained, domestic establishment (a dwelling house, apartment or similar place of residence where a person generally eats and sleeps and for which he/she can

show proof of financial commitment). This is in contrast to a boarding house facility which is not self-contained; and

2. The employee normally resides in the residence except for those periods of time when, because of the location of the work, the employee obtains temporary accommodation for that work location.
 3. For metropolitan areas (Toronto and Hamilton) the calculation of distance shall be the employee's regular residence.
 4. For all other areas, the calculation of distance shall be based on the location of the city or town hall of the municipality where an employee maintains a self-contained domestic establishment described above. In those municipalities where a city or town hall does not exist, then the post office serving his/her self-contained domestic establishment will apply.
- (ii) An employee may exercise his/her option not to stay in a camp or accept free room and board. An employee who exercises this option shall receive a subsistence allowance as follows:
- (a) When an employee's regular residence is more than 97 radius kilometres from the work location, or declared assembly point which is north of the French River and the employee maintains temporary accommodations at or near the work location or declared assembly point the employee shall be paid a subsistence allowance of ***\$94.94 (effective April 1, 2012, \$97.79)*** per day for each day worked or reported for.

South of the French River an employee will be paid ***\$88.60 (effective April 1, 2012, \$91.26)*** per day for each day worked or reported for.
 - (b) When an employee's residence is more than 450 kilometres from the work

location and the employee is working a four (4) day by ten (10) hour per day shift, the employee will be paid one (1) additional day's subsistence allowance.

- B. An employee shall not qualify for daily travel allowance or room and board allowance as provided for in Subsection 1200 and Subsection 1201, Item A above, when such employee reports for work but does not remain at work for his/her scheduled daily hours unless excused by an authorized representative of his/her Employer. Such permission shall not be unreasonably denied.
- C. Upon application, payment of Room and Board/Travel Allowance will be issued for the first two pay periods. Failure to provide satisfactory proof of eligibility during this period, will result in cessation of payments and the recovery in two equal amounts. In the event of termination for any reason before full recovery, any balance owing will be deducted from the final pay.

1202

Travel Time

- A. The Employer will supply transportation between the assembly points and work locations.
- B. All travel time will be outside of normal working hours.
- C. On normal working days an employee will be paid his/her straight-time rate for all time spent travelling from his/her assembly point to his/her work location.
- D. On Saturdays, Sundays and Recognized Holidays identified in Subsection 905 A, B and C, an employee will be paid his/her premium rate for all time spent travelling from his/her assembly point to his/her work location.
- E. An employee will travel up to a maximum of one (1) hour on his/her own time when returning from the work location to the assembly point.
 - (i) On normal working days an employee will be paid straight-time rate for all time spent travelling in excess of one (1) hour.
 - (ii) On Saturdays, Sundays and Recognized Holidays identified in Subsection 905 A, B and

C an employee will be paid premium rate for all time spent travelling in excess of one (1) hour.

1203

Initial and Return Travel and Transportation

- A. On recruitment of workers who live beyond 161 radius kilometres from the work location, the Employer shall pay \$.40 per radius kilometre, plus travel time based on one hour's pay for each 80 kilometres, or part thereof, of travel to a maximum of 8 hours pay for the initial trip to the work location from where the worker lives. On recruitment of workers who live outside Ontario, the distance calculation for this allowance shall be from where the worker lives or the Union Referral Hall, whichever is closer.
- B. To qualify for payment in Item A, the employee must be engaged in work for a minimum of fifteen (15) working days or the duration of the job, whichever is less.
- C. On termination of employment due to a reduction of staff, an employee qualified for payment as a result of Item B above, shall be entitled to return travel expenses calculated in the same manner as in Items A above for the return trip from the current work location to where the worker lives. An employee whose employment terminates for any reason other than reduction of staff shall not be eligible for return payment.
- D. At the end of each three (3) months of continuous employment at a work site where the employee resides in a camp or a camp situation, he/she shall receive eight (8) hours pay at his/her appropriate straight time rate to assist in defraying costs of returning home.

1204

Use of Personal Vehicle

- A. An employee who is requested or receives approval from an authorized representative of his/her Employer to use his/her personal vehicle for the convenience of his/her Employer shall be reimbursed at \$.40 per kilometre travelled for such use of his/her vehicle.

SECTION 13 TOOLS AND CLOTHING

1300

- A. Employees shall be required to provide themselves with the ordinary hand tools of the trade as specified in the attached tool listing*. The Employer will provide insofar as is practical, separate facilities for storing the

tools, but shall not be held responsible for losses, except as noted hereunder.

- (i) When personal tools valued in excess of \$15.00 are lost due to fire, the Employer will consider replacement or payment value to a maximum of \$500.00 based on the merit of tools that a tradesperson is required to have to perform their normal duties with the Employer.
 - (ii) The Employer agrees to compensate employees for tools lost by theft, as supported by claims submitted in writing with substantiating evidence to establish theft resulting from forcible entry to locked storage provided by the Employer to a maximum of \$500.00.
 - (iii) In the event of a loss by fire at a work location, replacement or payment of the full estimated value in excess of \$15.00 but not exceeding \$500.00 for the loss of personal clothing will be made.
 - (iv) In the event of a loss by fire at an Employer operated camp, replacement or payment of the full estimated value in excess of \$15.00 but not exceeding \$750.00 for the loss of personal clothing will be made.
- B. Employees who have obtained tools from the Employer's tool crib shall be allowed sufficient time, in the opinion of Management, to return such tools to the tool crib during working hours. Employees receiving tools from such tool crib shall be held responsible for the return of such tools in good condition, subject to normal wear and tear. On layoff or standoff, employees will be allowed reasonable time to return tools.
- C. Gang tools which are issued to a foreperson are used by one or more members of the crew. Such tools are not identified on trade tools lists, nor are then the tools and equipment identified in A. and B. of this section. Such tools shall be the responsibility of the Employer.
- D. Employees eligible for payment under A. above shall be reimbursed within ten (10) working days after the date of submitting a claim.

1301

- A. Employees are required to wear protective clothing and use protective equipment appropriate for the work being done. The Employer shall supply employees working in close proximity to obvious fire hazards (i.e., open flames) with flame resistant coveralls. Refer to Mid-Term Agreement MT-61 for terms and conditions for the provision of Flame and Arc Resistant Clothing.
- B. The Employer will supply protective clothing including gloves, high visibility clothing, rainwear and coveralls where appropriate at no cost to the employee. Protective clothing that is provided by the Employer will be charged out to an employee and the employee shall be responsible for the return of such protective clothing and equipment upon completion of the work involved.
- C. Employees shall supply themselves with, and wear at all times on the job, an approved safety helmet and safety footwear.

When an Employer wishes an employee to wear a specifically identified safety helmet, the Employer shall provide it on loan, complete with a new liner.

SECTION 14 GRIEVANCES AND ARBITRATIONS

1400

- (a) Hydro One Inc. shall appoint employees beyond the jurisdiction of the Union to act as contact supervisor. Each contact supervisor shall be responsible for giving or securing a decision on any grievance submitted to him/her by a Union representative on behalf of any employee or group of employees under his/her supervisor. Grievances will be referred to the contact supervisor within 30 days of the discovery of the event giving rise to the grievance. If a satisfactory decision is not made by the contact supervisor within 48 hours, the Union representative may, within 30 days, refer the grievance to arbitration.

Employees shall be entitled to Union representation at any disciplinary meeting.

- (b) The referral to arbitration shall be made to one of the following single arbitrators on a rotating basis:
 - (i) Jules Bloch
 - (ii) Rob Herman
 - (iii) Louisa Davie

- (c) The arbitrator shall set a hearing date to take place within ten (10) working days of the date of the referral and shall render a decision on the case within 30 days of the completion of the hearing of the matter. The parties agree that they will facilitate to the greatest extent possible the expeditious completion of the hearing process.
- (d) The decision of the arbitrator shall be final and binding on the parties. The arbitrator shall not have jurisdiction to alter or overrule this agreement or to make any decision inconsistent with this agreement.
- (e) The arbitrator shall have all the power and authority of an arbitrator under Section 48 of the Labour Relations Act, 1995.
- (f) Maintenance of normal earnings shall be provided by Hydro One Inc. for all Union representatives, attending at the grievance process, including the arbitration hearing. Arbitrator costs will be shared.

SECTION 15 COMMITTEES

1500 Joint Committee

- A. To advance harmonious relations between Hydro One Inc. and the Union, Hydro One Inc. and the Union shall appoint a Joint Committee comprised of two (2) PWU and two (2) Management as appointed by the parties.

The Committee shall meet at least annually to review the work program and matters associated with the administration of this Appendix with the intent of achieving uniformity of application of this Appendix wherever employees are working. The Committee may also consider matters related to safety.

1501 Joint Apprenticeship Committees (subject to the attached letter "Principles Related to Apprenticeship Program", related Committee Agreements, and Certificate of Qualification requirements.)

- A. A Joint Apprenticeship Council (JAC) shall be established and shall meet on a regular basis. This Council shall consist of an equal number of members of the Union and representatives of the Employer. Where applicable, a representative of the Apprenticeship Branch of the Ontario Government may also be

appointed as an advisor to the regular Council members.

- B. The JAC shall be responsible for the establishment and maintenance of the apprenticeship training programs, as well as adopting operating rules and conditions with respect thereto which are complementary to and in keeping with the intent of the Apprenticeship and Trades Qualification Act RSO 1970 as amended.
- C. Apprentices shall be hired by the Employer, as and when required, from a pool of qualified apprentices established by the JAC in accordance with the procedures established under the JAC Terms of Reference.
- D. All apprentices shall be governed by the Ontario Apprenticeship and Trades Qualification Act and Regulations but the ratio of apprentices to Journeypersons may be set from time to time by the Joint Committee.
- E. In order to expedite the Apprentice's entrance into Journeyperson status, the following policy shall apply:
 - (i) The Apprentice must apply to the Apprenticeship Branch to write his/her examination as soon as possible after he/she has reached his/her total hours, less 300.
 - (ii) The Apprentice will give the JAC two weeks notice that he/she is going to write his/her examination.
 - (iii) After writing the examination, the Apprentice will check his/her hours in his/her Progress Record Book, with the JAC.
 - (iv) The Employer will commence paying the Journeyperson's rate of pay the day after the Apprentice completes his/her hours and providing the following conditions have been met:
 - (a) The Employer is satisfied that the Apprentice has completed his/her hours. If there is a question concerning the completion of hours, confirmation will be supplied by the JAC and/or the Union; and,

- (b) The Employer is shown written proof of Certification from the Apprenticeship Branch, or has verbal confirmation from the JAC and/or the Union; and,
 - (c) The Apprentice has passed his/ her examination for his/her Certification of Qualification (C of Q).
- F. In the event that an Apprentice fails his/her examination for his/her C of Q, he/she will be paid the journeyman rate of pay from the day he/she passes any future examinations.
- G. Where the JAC is unable to reach an agreement on any matter concerning apprenticeship, the issue shall be referred to the Joint Committee for their decision.

SECTION 16 LUNCHROOM AND WASHROOM FACILITIES

1600 Lunchroom Facilities

- A. The Employer will provide clean and adequately heated facilities for employees where such facilities may reasonably be provided. Lunchroom facilities are to include adequate space with tables and benches and are to be separated from storage areas. Washroom facilities are to include flush toilets and hot and cold running water where reasonable and practicable.

SECTION 17 PREGNANCY/PARENTAL/ADOPTION LEAVES

- 1700 A. Provisions of the Employment Standards Act will apply to a pregnant employee. In addition, an employee's seniority will accumulate while on leave provided this does not affect the normal date of layoff.

SECTION 18 SELECTION TO VACANCIES

PWU represented members who have performed work for Hydro One Inc. pursuant to this Appendix will be entitled to apply to regular positions within Hydro One Inc. for which they are qualified and will be selected on the basis of seniority.

Seniority for the purposes of applying to regular positions will be calculated on the basis of accumulated service with the Hydro One Inc. gained through this Appendix.

Employees in receipt of a Hydro One Inc. pension are not eligible for selection to Vacancies.

Dated at Toronto this _____ day of _____ 1998.

FOR: Hydro One Inc.

FOR: POWER WORKERS' UNION

Principles Related to Apprenticeship Program

The parties agree to establish an apprenticeship program recognizing that the apprenticeship program should be structured to best support the Hydro One Inc. requirements, the Apprentice and the requirements of the Trades Qualification Act.

The parties agree that the following principles should be accepted when developing the apprenticeship program:

- PWU Apprentices will be acquired through the provisions of the Appendix to the Hydro One Agreement.
- The Apprenticeship Program will be managed by the Joint Councils outlined in the Appendix to the Hydro One Agreement.
- Apprentices will be assigned to regular work crews and to casual work crews for the purposes of their training program.
- When Apprentices are doing work on an assigned basis with regular work crews, these crews will not be considered as composite crews. In this circumstance the non-monetary provisions of the Main Agreement apply as well as the meal provisions contained in Part A, Item 24.1.2 and Mid-Term Agreement MT-61.
- The administration of the Apprentice Program will be funded by the Employer and operated from the Union Office.

The parties further agree that a committee would be established comprised of two (2) representatives from Hydro One Inc. and two (2) representatives from the Union to meet and develop the procedures to be followed on the Apprenticeship Program.

Appendix A – TOOL LIST

All journeypersons electricians are required to have the following tools:

- 1 Centre punch
- 1 1/2" Cold Chisel
- 1 Half-round File
- 1 Ball Peen Hammer
- 1 Adjustable Hacksaw Frame
- 1 Knife
- 1 Medium Level
- 5 Prs of Pliers – 8" Sidecutters, Diagonal, Longnose and 2 pairs of Channellock
- 6 Screwdrivers, Robertson and Standard Types
- 1 6" Square or Combination Square
- 1 6' Folding Wood Rule
- 1 Small Tap Wrench
- 1 Tool Box
- 1 Tool Pouch and belt for hand tools

Lineperson Tool List

- 1 Tool Box and lock
- 1 Ball Peen Hammer
- 1 Jackknife or Stripping Knife
- 1 9" Pliers
- 1 6' Folding Wood Rule
- 1 Screwdriver, flat blade, 8"
- 1 8" Adjustable Crescent Wrench
- 1 10" or 12" Adjustable Crescent Wrench

Electrical Forester

- 1 Saw, hand, pruning
- 1 Set of appropriate hand saw sharpening equipment
- 1 Jack Knife
- 1 Hand Pruners

All Journeyperson Mechanical Tradespersons are required to have the following tools:

- 1 punches, centre set
- 1 punch, pin, set
- 4 punch, taper set
- 4 rule, steel, 6"
- 3 screwdrivers, flat blade, 4" 8" and 12".
- 1 screwdriver, flat blade, stubby
- 1 screwdriver, flat blade, offset
- 1 screwdriver, robertson, set of detachable head
- 1 screwdriver, phillips, set of detachable head
- 1 scriber, steel
- 1 square, combination, with level, protractor and centre head 12"
- 1 tape rule, steel, 6' or longer.
- 1 wrench, tap – to handle up to 1/4" taps
- 3 wrenches, adjustable, crescent type, 4" 8" and 12"
- 1 wrench, vise grip

March 26, 1998

D.F. MacKinnon
Sector Vice President
Power Workers' Union
244 Eglinton Avenue East
Toronto, Ontario
M4P 1K2

Dear Mr. MacKinnon:

1988 Negotiations – Transmission Agreement

This will confirm the discussion at negotiations regarding the natural barrier concept.

It is agreed that an obstruction or impediment will include those areas where roads have not been constructed and which causes an unreasonable relationship between radius Kilometres and actual kilometres travelled.

Yours truly,

March 26, 1998

D.F. MacKinnon
Sector Vice President
Power Workers' Union
244 Eglinton Avenue East
Toronto, Ontario
M4P 1K2

Dear Mr. MacKinnon:

1988 Negotiations – Transmission Agreement

This will confirm the discussion at negotiations regarding parking allowance in Toronto.

Employees working in the downtown core of Toronto will be paid \$3.00 per day worked as a parking allowance when an Employer does not provide parking space.

The downtown core is defined as the area bounded by the east side of Dufferin Street in the west, the west side of Sherbourne Street and Mount Pleasant Road in the east, the south side of Eglinton Avenue in the north and by Lake Ontario in the south.

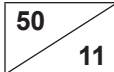
Yours truly,

Add to the Hydro One Inc. Collective Agreement

Assignment of Work & Dispute Resolution Process – Appendix A Construction & Supply Maintenance

1. No regular Hydro One Inc. employee will be laid off as a direct result of work being performed pursuant to Appendix A of the Collective Agreement.
2. Hydro One Inc. shall share all related information for making an assignment as far in advance of the work as possible.
3. Hydro One Inc. representatives and the PWU Sector Vice-President will agree upon the proposed assignment prior to the assignment being made by the Employer.
4. Failing to agree on the assignment of work will result in an expedited resolution process.
5. Should the parties fail to agree on the assignment of work to employees hired pursuant to Appendix A, the issue will be referred to Mr. Martin Teplitsky, or his deputy who will act as the sole arbitrator for resolution of the dispute.
6. The arbitrator will hear the dispute within three (3) days of the dispute being referred to Arbitration. The Arbitration may be conducted by conference call.
7. Briefs shall be prepared by each party which will include a statement of facts, a brief argument and any other information and/or documents relevant to the issue. Briefs will be exchanged between the parties and provided to the arbitrator at least 24 hours before the arbitration hearing begins. Witnesses may be called with leave of the arbitrator.
8. The decision of the arbitrator shall be final and binding on the parties.

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
WAGE SCHEDULES
CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
SALARY SCHEDULE 50**



GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
01-9	LINES SENIOR FOREPERSON - 411164					
02-9	MECHANICAL SENIOR FOREPERSON - 435362					
03-9	ELECTRICAL SENIOR FOREPERSON - 411061					
04-9	PWR EQUIP ELECTRICIAN SR FOREPERSON - 411063					
	03-31-11	48.85	4.89	3.00	2.25	58.99
01-8	LINES FOREPERSON - 411165					
02-8	MECHANICAL FOREPERSON - 435363					
03-8	ELECTRICAL FOREPERSON - 411062					
04-8	PWR EQUIP ELECTRICIAN FOREPERSON - 411064					
	03-31-11	47.58	4.76	3.00	2.25	57.59
01-7	LINES SUBFOREPERSON - 411153					
02-7	MECHANICAL SUBFOREPERSON - 435352					
03-7	ELECTRICAL SUBFOREPERSON - 411051					
04-7	PWR EQUIP ELECTRICIAN SUBFOREPERSON - 411065					
	03-31-11	45.03	4.50	3.00	2.25	54.78
01-6	LINES JOURNEYPerson - 411134					
02-6	MECHANICAL JOURNEYPerson - 435332					
03-6	ELECTRICAL JOURNEYPerson - 411031					
04-6	PWR EQUIP ELECTRICIAN JOURNEYPerson - 411066					
05-6	CABLE SPLICER JOURNEYPerson - 001377					
	03-31-11	42.48	4.25	3.00	2.25	51.98
	CABLE SPLICER APPRENTICE (5 YEAR PROGRAM) - 001727					
	ELECTRICAL APPRENTICE (5 YEAR PROGRAM) - 411113					
	MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM) - 435312					
	PWR EQUIP ELECTRICIAN APPRENTICE (5 YEAR PROGRAM) - 411067					
01-0	1ST PERIOD					
	03-31-11	16.99	1.70	3.00	2.25	23.94
01-1	2ND PERIOD					
	03-31-11	21.24	2.12	3.00	2.25	28.61
01-2	3RD PERIOD					
	03-31-11	25.49	2.55	3.00	2.25	33.29
01-3	4TH PERIOD					
	03-31-11	29.74	2.97	3.00	2.25	37.96
01-4	5TH PERIOD					
	03-31-11	33.98	3.40	3.00	2.25	42.63
	LINES APPRENTICE (4 YEAR PROGRAM) - 410312					
02-0	1ST PERIOD					
	03-31-11	21.24	2.12	3.00	2.25	28.61
02-1	2ND PERIOD					
	03-31-11	25.49	2.55	3.00	2.25	33.29
02-2	3RD PERIOD					
	03-31-11	29.74	2.97	3.00	2.25	37.96
02-3	4TH PERIOD					
	03-31-11	33.98	3.40	3.00	2.25	42.63

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

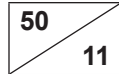
Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Non-Scheduled Work Days - 2 times for all hours worked.

Sat: 2 times for all hours worked.

Sun&Hol: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
<i>MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM) - 435313</i>						
02-10	1ST PERIOD 03-31-11	25.49	2.55	3.00	2.25	33.29
02-11	2ND PERIOD 03-31-11	29.74	2.97	3.00	2.25	37.96
02-12	3RD PERIOD 03-31-11	33.98	3.40	3.00	2.25	42.63
02-13	4TH PERIOD 03-31-11	38.23	3.82	3.00	2.25	47.30
11.9	CIVIL SENIOR FOREPERSON - 435764 03-31-11	46.41	4.64	3.00	2.25	56.30
11.8	CIVIL FOREPERSON - 435763 03-31-11	45.20	4.52	3.00	2.25	54.97
11.7	CIVIL SUBFOREPERSON - 435753 03-31-11	42.78	4.28	3.00	2.25	52.31
11.6	CIVIL JOURNEYPerson - 435733 03-31-11	40.36	4.04	3.00	2.25	49.65
<i>CIVIL APPRENTICE (5 YEAR PROGRAM) - 435713</i>						
11.0	1ST PERIOD 03-31-11	16.14	1.61	3.00	2.25	23.00
11.1	2ND PERIOD 03-31-11	20.18	2.02	3.00	2.25	27.45
11.2	3RD PERIOD 03-31-11	24.22	2.42	3.00	2.25	31.89
11.3	4TH PERIOD 03-31-11	28.25	2.83	3.00	2.25	36.33
11.4	5TH PERIOD 03-31-11	32.29	3.23	3.00	2.25	40.77
<i>CIVIL APPRENTICE (4 YEAR PROGRAM) - 435714</i>						
12.0	1ST PERIOD 03-31-11	20.18	2.02	3.00	2.25	27.45
12.1	2ND PERIOD 03-31-11	24.22	2.42	3.00	2.25	31.89
12.2	3RD PERIOD 03-31-11	28.25	2.83	3.00	2.25	36.33
12.3	4TH PERIOD 03-31-11	32.29	3.23	3.00	2.25	40.77

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

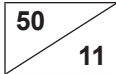
Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Non-Scheduled Work Days - 2 times for all hours worked.

Sat: 2 times for all hours worked.

Sun & Hol: 2 times for all hours worked.

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
WAGE SCHEDULES
ELECTRICAL FORESTER – UNCERTIFIED CIVIL TRADES
SALARY SCHEDULE 50**



Page 3 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PACKAGE
21-9	ELECTRICAL FORESTER SENIOR FOREPERSON - 415363 03-31-11	41.53	4.15	3.00	2.25	50.93
21-8	ELECTRICAL FORESTER FOREPERSON - 415364 03-31-11	40.44	4.04	3.00	2.25	49.73
21-7	ELECTRICAL FORESTER SUBFOREPERSON - 415351 03-31-11	38.28	3.83	3.00	2.25	47.36
21-6	ELECTRICAL FORESTER JOURNEYPerson - 415331					
21-5	STOCKKEEPER - 427502 03-31-11	36.11	3.61	3.00	2.25	44.97
	ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM) - 415311					
21-0	1ST PERIOD 03-31-11	18.06	1.81	3.00	2.25	25.12
21-1	2ND PERIOD 03-31-11	21.67	2.17	3.00	2.25	29.09
21-2	3RD PERIOD 03-31-11	25.28	2.53	3.00	2.25	33.06
21-3	4TH PERIOD 03-31-11	28.89	2.89	3.00	2.25	37.03
22-9	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON - 415323 03-31-11	34.20	3.42	3.00	2.25	42.87
22-8	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON - 415324 03-31-11	33.31	3.33	3.00	2.25	41.89
22-7	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON - 415325 03-31-11	31.52	3.15	3.00	2.25	39.92
22-6	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPerson - 415313 03-31-11	29.74	2.97	3.00	2.25	37.96
23-9	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON - 415319 03-31-11	26.86	2.69	3.00	2.25	34.80
23-8	ELECTRICAL FORESTER (LABOURER) FOREPERSON - 415318 ⁽¹⁾ 03-31-11	26.16	2.62	3.00	2.25	34.03
23-7	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON - 415317 ⁽¹⁾ 03-31-11	24.76	2.48	3.00	2.25	32.49
23-6	ELECTRICAL FORESTER (LABOURER) JOURNEYPerson - 415316 ⁽¹⁾ 03-31-11	23.36	2.34	3.00	2.25	30.95
24-1	METER READER - 461105 03-31-11	28.89	2.89	3.00	2.25	37.03
25-0	GENERAL HELPER - 461106 03-31-11	23.36	2.34	3.00	2.25	30.95
26-0	METER READER 'B' - 461107 03-31-11	24.51	2.45	3.00	2.25	32.21
22-0	METER READER/DATA COLLECTOR - 000677 03-31-11	33.14	3.31	3.00	2.25	41.70
27-1	Operator 1 - 461108 03-31-11	39.56	3.96	3.00	2.25	48.77
27-2	Operator 2 - 461109 03-31-11	45.34	4.53	3.00	2.25	55.12
27-3	Operator 3 - 461102 03-31-11	46.86	4.69	3.00	2.25	56.80

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Sat: 2 times for all hours worked.

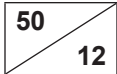
Sun & Hol: 2 times for all hours worked.

Labour Relations

Effective: March 31, 2011

⁽¹⁾ Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
WAGE SCHEDULES
CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
SALARY SCHEDULE 50**



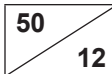
GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
01-9	LINES SENIOR FOREPERSON - 411164					
02-9	MECHANICAL SENIOR FOREPERSON - 435362					
03-9	ELECTRICAL SENIOR FOREPERSON - 411061					
04-9	PWR EQUIP ELECTRICIAN SR FOREPERSON - 411063 03-29-12	50.49	5.05	3.00	2.25	60.79
01-8	LINES FOREPERSON - 411165					
02-8	MECHANICAL FOREPERSON - 435363					
03-8	ELECTRICAL FOREPERSON - 411062					
04-8	PWR EQUIP ELECTRICIAN FOREPERSON - 411064 03-29-12	49.17	4.92	3.00	2.25	59.34
01-7	LINES SUBFOREPERSON - 411153					
02-7	MECHANICAL SUBFOREPERSON - 435352					
03-7	ELECTRICAL SUBFOREPERSON - 411051					
04-7	PWR EQUIP ELECTRICIAN SUBFOREPERSON - 411065 03-29-12	46.53	4.65	3.00	2.25	56.43
01-6	LINES JOURNEYPerson - 411134					
02-6	MECHANICAL JOURNEYPerson - 435332					
03-6	ELECTRICAL JOURNEYPerson - 411031					
04-6	PWR EQUIP ELECTRICIAN JOURNEYPerson - 411066					
05-6	CABLE SPLICER JOURNEYPerson - 001377 03-29-12	43.90	4.39	3.00	2.25	53.54
	ELECTRICAL APPRENTICE (5 YEAR PROGRAM) - 411113					
	MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM) - 435312					
	PWR EQUIP ELECTRICIAN APPRENTICE (5 YEAR PROGRAM) - 411067					
01-0	1ST PERIOD 03-29-12	17.56	1.76	3.00	2.25	24.57
01-1	2ND PERIOD 03-29-12	21.95	2.20	3.00	2.25	29.40
01-2	3RD PERIOD 03-29-12	26.34	2.63	3.00	2.25	34.22
01-3	4TH PERIOD 03-29-12	30.73	3.07	3.00	2.25	39.05
01-4	5TH PERIOD 03-29-12	35.12	3.51	3.00	2.25	43.88
	LINES APPRENTICE (4 YEAR PROGRAM) - 410312					
02-0	1ST PERIOD 03-29-12	21.95	2.20	3.00	2.25	29.40
02-1	2ND PERIOD 03-29-12	26.34	2.63	3.00	2.25	34.22
02-2	3RD PERIOD 03-29-12	30.73	3.07	3.00	2.25	39.05
02-3	4TH PERIOD 03-29-12	35.12	3.51	3.00	2.25	43.88

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- Sat: 2 times for all hours worked.
- Sun&Hol: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
<i>MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM) - 435313</i>						
02-10	1ST PERIOD 03-29-12	26.34	2.63	3.00	2.25	34.22
02-11	2ND PERIOD 03-29-12	30.73	3.07	3.00	2.25	39.05
02-12	3RD PERIOD 03-29-12	35.12	3.51	3.00	2.25	43.88
02-13	4TH PERIOD 03-29-12	39.51	3.95	3.00	2.25	48.71
11-9	CIVIL SENIOR FOREPERSON - 435764 03-29-12	47.97	4.80	3.00	2.25	58.02
11-8	CIVIL FOREPERSON - 435763 03-29-12	46.72	4.67	3.00	2.25	56.64
11-7	CIVIL SUBFOREPERSON - 435753 03-29-12	44.21	4.42	3.00	2.25	53.88
11-6	CIVIL JOURNEYPEPERSON - 435733 03-29-12	41.71	4.17	3.00	2.25	51.13
<i>CIVIL APPRENTICE (5 YEAR PROGRAM) - 435713</i>						
11-0	1ST PERIOD 03-29-12	16.68	1.67	3.00	2.25	23.60
11-1	2ND PERIOD 03-29-12	20.86	2.09	3.00	2.25	28.20
11-2	3RD PERIOD 03-29-12	25.03	2.50	3.00	2.25	32.78
11-3	4TH PERIOD 03-29-12	29.20	2.92	3.00	2.25	37.37
11-4	5TH PERIOD 03-29-12	33.37	3.34	3.00	2.25	41.96
<i>CIVIL APPRENTICE (4 YEAR PROGRAM) - 435714</i>						
12-0	1ST PERIOD 03-29-12	20.86	2.09	3.00	2.25	28.20
12-1	2ND PERIOD 03-29-12	25.03	2.50	3.00	2.25	32.78
12-2	3RD PERIOD 03-29-12	29.20	2.92	3.00	2.25	37.37
12-3	4TH PERIOD 03-29-12	33.37	3.34	3.00	2.25	41.96

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**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
WAGE SCHEDULES
ELECTRICAL FORESTER – UNCERTIFIED CIVIL TRADES
SALARY SCHEDULE 50**

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Page 3 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PACKAGE
21-9	ELECTRICAL FORESTER SENIOR FOREPERSON - 415363 03-29-12	42.92	4.29	3.00	2.25	52.46
21-8	ELECTRICAL FORESTER FOREPERSON - 415364 03-29-12	41.80	4.18	3.00	2.25	51.23
21-7	ELECTRICAL FORESTER SUBFOREPERSON - 415351 03-29-12	39.56	3.96	3.00	2.25	48.77
21-6	ELECTRICAL FORESTER JOURNEYPerson - 415331					
21-5	STOCKKEEPER - 427502 03-29-12	37.32	3.73	3.00	2.25	46.30
21-0	ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM) - 415311 1ST PERIOD 03-29-12	18.66	1.87	3.00	2.25	25.78
21-1	2ND PERIOD 03-29-12	22.39	2.24	3.00	2.25	29.88
21-2	3RD PERIOD 03-29-12	26.12	2.61	3.00	2.25	33.98
21-3	4TH PERIOD 03-29-12	29.86	2.99	3.00	2.25	38.10
22-9	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON - 415323 03-29-12	35.34	3.53	3.00	2.25	44.12
22-8	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON - 415324 03-29-12	34.42	3.44	3.00	2.25	43.11
22-7	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON - 415325 03-29-12	32.57	3.26	3.00	2.25	41.08
22-6	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPerson - 415313 03-29-12	30.73	3.07	3.00	2.25	39.05
23-9	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON - 415319 03-29-12	27.77	2.78	3.00	2.25	35.80
23-8	ELECTRICAL FORESTER (LABOURER) FOREPERSON - 415318 ⁽¹⁾ 03-29-12	27.05	2.71	3.00	2.25	35.01
23-7	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON - 415317 ⁽¹⁾ 03-29-12	25.60	2.56	3.00	2.25	33.41
23-6	ELECTRICAL FORESTER (LABOURER) JOURNEYPerson - 415316 ⁽¹⁾ 03-29-12	24.15	2.42	3.00	2.25	31.82
24-1	METER READER - 461105 03-29-12	29.85	2.99	3.00	2.25	38.09
25-0	GENERAL HELPER - 461106 03-29-12	24.15	2.42	3.00	2.25	31.82
26-0	METER READER 'B' - 461107 03-29-12	25.39	2.54	3.00	2.25	33.18
22-0	METER READER/DATA COLLECTOR - 000677 03-29-12	34.27	3.43	3.00	2.25	42.95
27-1	Operator 1 - 461108 03-29-12	40.89	4.09	3.00	2.25	50.23
27-2	Operator 2 - 461109 03-29-12	46.84	4.68	3.00	2.25	56.77
27-3	Operator 3 - 461102 03-29-12	48.41	4.84	3.00	2.25	58.50

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Sun & Hol: 2 times for all hours worked.

Labour Relations

Effective: March 29, 2012

⁽¹⁾ Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.

NOTES

NOTES

COLLECTIVE AGREEMENT

Between

HYDRO ONE INC.

And

**POWER WORKERS' UNION
CANADIAN UNION OF PUBLIC
EMPLOYEES – C.L.C.
LOCAL 1000**

April 1, 2013 – March 31, 2015

COLLECTIVE AGREEMENT

Between

HYDRO ONE INC.

and

POWER WORKERS' UNION

CANADIAN UNION OF PUBLIC EMPLOYEES – C.L.C.

LOCAL 1000

April 1, 2013– March 31, 2015

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D	Weekly Salaried (Pink)	D-1 – D-53
	Appendix “A” for Construction and Supplementary Maintenance (White)	AP-1 – AP-52

NOTE

*In order to readily identify changes in this Agreement from the previous one, new changes are printed bold and in italics. Note that certain foreign words used within the text are, by convention, also printed in italics however these words are easily identifiable and should not cause confusion.

Hydro One Inc.

Power Workers Union

Date

MID-TERM AGREEMENTS

INDEX

Number	Title	Former Number	Status
MT-2	Responsibility for Obtaining Licenses	NPP 2	Active
MT-3	Time Charges and Expenses – Power Workers' Union Representatives	NPP 3	Active
MT-4	Hand Tool Ownership and Trades Occupational Definitions	NPP 4	Active
MT-5	Expense Reports and Transportation Requisitions	NPP 6	Active
MT-6	Special Time Off – Extreme Weather Closures	NPP 15	Active
MT-7	Burial Expenses and Allowance to Estate of a Deceased Employee	NPP 16 NPP 22	Active
MT-8	Employees Participating in Politics	NPP 25	Active
MT-9	Payment of Corporation Employees Utilized for Forest Fire Fighting	NPP 26	Active
MT-10-1	Banked Time Arrangement for Trades and Weekly Salaried Staff	BT 64 BT 42	Active
MT-11	Processing of Waiver Requests	PW 1-1	Active
MT-12	Contracting Out	PW 2	Suspended
MT-13	Late Applications	PW 4	Active
MT-14	Future Agency Employees	PW 12-1	Suspended
MT-15	Provision of French Language Services	PW 32	Active
MT-16-1	Wage Schedule 86	PW 34	Active
MT-17	Benefit Entitlement of Construction Employees Transferring into the Power Workers' Union Bargaining Unit	PW 35	Active
MT-18-1	University Student Co-op Programs	PW 38	Active
MT-19	Secondary School Student Cooperative Education Program	PW 44	Active
MT-20	Pay Equity Plan Supplemental	PW 45-1	Active
MT-21	Purchased Services	PW 46-1	Suspended
MT-22-1	Community College Co-op Student Programs	PW 47-1	Active

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MT-25	Vehicle Services Attendants	R-35	Active
MT-26	Toronto Association of Community Living Reclamation Yard Kipling Avenue Service Centre	R-81-1	Active
MT-28	Remote Community Electricity System Division Work Headquarters	R-145-1	Active
MT-29	Regional Maintainer Classifications	R-147-1	Active
MT-31	Overtime Option of Paid Time Off in Lieu Grid Business Unit	R-190	Active
MT-32	Overtime Option of Paid Time Off in Lieu Distribution Network Services	R-191-3	Active
MT-33	Regional Maintainer – Cable Splicer	R-201	Active
MT-35	On-Call Provisions for Part D Employees, Enterprise Technology Services, ITS Operations Department, Field Support Team	R-224	Active
MT-36	Integration of Grievance Settlement P-12 and Article 11	R-231	Active
MT-38	Customer Service Representative I	OHSC-R-239	Active
MT-40-2	Hydro One Inc. Acquisitions	OHSC-R-242	Active
MT-41	Senior Shift Authority Position and Redeployment of Level 1A Operators and Electrical Area Supervisors to Level 1 Operator Positions		Active
MT-42	Regional Site Maintenance – M.O.E.E. License	OHSC-R-244	Active
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MT-53-1	Customer Service Rep 1/ADET Consolidation – Hydro One Remote Communities Inc		Active
MT-55	Transfer of those Designated in Scope to CGEY/Newco		Active
MT-56-2	Shift Work – Central Maintenance Shops Regional Maintainer – Mechanical		Active
MT-60	Waste Co-ordinator Classification		Active
MT-61	Flame and Arc Resistent Clothing		Active
MT-62	Meter Reading Supervision and New Organization		Active
MT-63-1	Alternative Hours Provincial Lines Three Day Work Week (Demand Work Crew)		Active
MT-64-1	Area Distribution Engineering Technician Training Program		Active
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COLLECTIVE AGREEMENT

BETWEEN

HYDRO ONE INC. (The Company)

and

POWER WORKERS' UNION (PWU), CANADIAN UNION OF PUBLIC EMPLOYEES, Local 1000 – CLC, hereinafter referred to as the “Union” which executes this Agreement by M. Hyatt, **B. Roberts**, T. Chessell and G. Dawson, who have been duly appointed the purpose, in accordance with the constitution of the Union.

WHEREAS the Union has requested the Company to enter into a Collective Agreement and the Company has consented thereto:

NOW THIS AGREEMENT WITNESSETH

that there shall be four parts, namely, Part ‘A’ – General Items, Part ‘B’ – Maintenance Trades, Part ‘C’ – Controllers/Dispatchers/Trainees, and Part ‘D’ – Weekly-Salaried. It is also witnessed that the Company and the Union agree each with the other as follows:

ARTICLE 1 RECOGNITION COLLECTIVE BARGAINING UNIT

- 1.1** The Company recognizes the Union as the sole bargaining agent for all regular, part-time and temporary employees¹, including technicians of the construction field forces and security employees² but excluding:
- (a) Employees now represented by other bargaining agents.
 - (b) Persons above the rank of working supervisor.
 - (c) Persons who exercise managerial functions in accordance with the *Ontario Labour Relations Act*.
 - (d) Persons employed in a confidential capacity in matters relating to labour relations in accordance with the *Ontario Labour Relations Act*.

1 “Employees” are employees pursuant to the *Labour Relations Act* for Ontario SO, **1995, c.1 Schedule A**, as amended.

2 Security employees at the following locations: (At the time of printing no locations were identified).

- 1.2** When an employee is removed from normal duties to act in a vacated position or relieve for an incumbent to perform a temporary assignment, the following shall apply:
- (a) When the length of time involved is known to be three months or less, the employee will retain his/her present jurisdictional status.
 - (b) When it is expected that the length of time will be longer than three months, the employee will be excluded or included at the commencement of his/her new responsibilities. However, in the event the period is actually less than three months:
 - (1) in exclusion cases, the Union will be reimbursed the dues which would have been paid;
 - (2) in inclusion cases, the Union will reimburse the employee the dues which have been paid.
 - (c) When the length of time is unknown, the employee will retain his/her present jurisdictional status up to the three month period. If the period extends beyond three months, the employee will then be either included or excluded.

ARTICLE 2 GRIEVANCE PROCEDURE

- 2.1** Any allegation that an employee has been subjected to unfair treatment or any dispute arising out of the content of this Agreement shall be understood to be a fit matter for the following grievance procedure. All matters of grievance by any employee or group or class of employees for whom the Union is the bargaining agent and which the Union may desire to present shall be dealt with in accordance with the following procedure.
- 2.2** It is mutually agreed by the parties hereto that it is the spirit and intent of this Agreement to adjust grievances promptly. Therefore, any employee covered by this Agreement having a grievance may present such grievance to the representative of the Union appointed by the Union for that purpose. The Union representative may then proceed to have such grievance adjusted in accordance with the following steps established hereby for the purpose of adjusting grievances.
- 2.3** **Grievances**
- Grievances are to be filed within thirty (30) days from the date that the grievor knew or should have known the facts giving rise to the grievance. The Company is to reply in writing within seven (7) days.

Steps in grievance process: Non-disciplinary matters:

- Step 1 Within seven (7) days of reply or time limited for reply, a meeting with contact supervisor.
- Step 2 If Step 1 meeting not held or if grievance not resolved at Step 1, grievances go to next scheduled meeting of Grievance Review Board.

2.4 Grievance Review Board

The Grievance Review Board shall consist of two Union representatives (at a high level) and two Management representatives (at a high level), who will have the authority to agree unanimously to a final and binding settlement of any grievance or unanimously agree to the scheduling of any grievance.

Grievance Review Board meetings are to be scheduled regularly as agreed to by the parties or ordered by the Chief Arbitrator in all work locations. The purpose of the Grievance Review Board will be to attempt to settle all cases, failing which the Grievance Review Board will agree to facts where possible and ensure that all documentary and other evidence is disclosed by the parties.

If not resolved at the Grievance Review Board, grievances move to arbitration.

2.5 Disciplinary Matters

- 2.5.1** Prior to the imposition of any disciplinary penalty, the Company shall hold a Disciplinary Interview, which shall replace Step 1 of the grievance process.
- 2.5.2** The Company shall provide the Union and any employees who may be disciplined three (3) days' notice of the Interview.
- 2.5.3** The Interview shall take place between the Company, the Union and the accused individual.
- 2.5.4** The Company shall set out its allegations and except where the allegations could constitute a criminal offence, the Union or the individual(s) shall set out their version of the events. Minutes, but not a transcript, of the Interview setting out the substance of the discussion shall be taken.
- 2.5.5** The minutes of the meeting shall be provided to the Union and the accused individual(s) within seven (7) days of the Interview.
- 2.5.6** The Union and the accused individual(s) shall forward a written reply to the minutes, if any, within seven (7) days of receipt of the minutes.

- 2.5.7** Should the Company choose to impose discipline, the Union has ten (10) days to file a grievance commencing at Step 2.
- 2.5.8** Nothing in the disciplinary interview process is intended to interfere with the Company's right to investigate matters.
- 2.6 Facilities and Costs**
- 2.6.1** The Company shall provide the necessary facilities for all meetings in the grievance process.
- 2.6.2** Maintenance of normal earnings and payment of expenses shall be provided by the Company for all Union representatives on a grievance committee.
- 2.6.3** The fees of all arbitrators and costs associated with arbitration hearings shall be shared equally by the parties, subject to current practices.
- 2.7 Dispute Resolution – Article 8, Plan B and OGLs**
- Any Article 8, Plan B or OGL disputes shall be resolved on an expedited basis as set out below:
- 2.7.1** The Union shall commence this dispute resolution process by filing a grievance with the relevant contact supervisor. The parties shall meet within seven (7) days to attempt to resolve the grievance. Failing a resolution of the matter within fourteen (14) days of filing the grievance, the matter will be referred to the next meeting of the Job Classification Committee (JCC). Failing resolution at that meeting, the grievance shall be referred to the Job Classification Tribunal (JCT).
- 2.7.2** The JCC shall sit monthly or as otherwise agreed to by the parties and consist of two (2) Union and two (2) employer representatives. It shall have the power to resolve any Article 8 and Plan B disputes referred to it by unanimous agreement.
- 2.7.3** The JCT shall consist of a Chair, a Union nominee and a Company Nominee. The parties hereby nominate Chris Paliare and John West as their nominees. Martin Teplitsky shall be the Chair and may, after consultation with the parties, appoint his successor as Chair.
- 2.7.4** The JCT shall hear grievances on an expedited basis and decide at least fifteen (15) grievances per day. No decision of the JCT is precedent setting unless the JCT expressly declares it to be so.
- 2.7.5** Briefs shall be prepared by each party for each grievance including a statement of facts, brief argument and the relevant provisions

of the Collective Agreement. These briefs shall be provided to the Chair of the JCT at least 7 days prior to any hearing date. The Chair of the JCT will advise which grievances will require witnesses for credibility issues. The parties will also exchange these briefs.

2.7.6 The JCT shall determine its own procedure, may admit evidence that would not be admissible in court and may rely on such evidence to render a decision. The JCT shall have the power and authority to determine the real issues in dispute between the parties in any particular case and to relieve against time limits in the grievance process. All decisions will be final and binding. All arbitrators shall have the power to make interim relief orders. The JCT shall take into consideration the relevant terms of the Collective Agreement and its appendices.

2.8 Facilities and Costs

2.8.1 The Company shall provide the necessary facilities for all meetings in the Article 8, Plan B, and OGL grievance process.

2.8.2 Maintenance of normal earnings and the payment of expenses shall be provided by the Company for all Union representatives on a dispute resolution committee as per Article 2.7.

2.8.3 The fees of the JCT Chair and costs associated with JCT hearings shall be shared equally by the parties. Each party will pay its own nominee on the JCT.

2.9 The Company will finalize any formal grievances presently in the process of completion but not finalized before the Agreement is signed.

ARTICLE 2A DISCIPLINE AND DISCHARGE

2A.1 Any allegation that an employee has been demoted, suspended, discharged or otherwise disciplined without just cause shall be a fit matter for the grievance and arbitration procedures as provided for in this Collective Agreement.

2A.2 When disciplining or discharging probationary employees for just cause, it is recognized that the probationary period is an extension of the selection process and that they have short service. Therefore, the threshold for discipline and discharge may be less than that of a regular employee in similar circumstances.

2A.3 Disciplinary penalties resulting in a suspension without pay will not be imposed until a final decision, (agreement between Union and Management, or an arbitrator's judgment) has been reached.

2A.4 A copy of all letters of employee reprimand shall be sent to the chief steward, except in cases where in the Company's opinion the matter involved is of a confidential nature. In the latter instance, the letter will state that the Union has not received a copy of the letter.

This shall not prevent a supervisor from taking on-the-job disciplinary action including immediate suspension subject to later confirmation.

2A.5 Unless otherwise agreed to, after a letter(s) of reprimand has been on an employee's file for a maximum of two years, and there have been no further occurrences, then the letter(s) of reprimand will be removed from all files.

ARTICLE 3 ARBITRATION

3.0 The Arbitration Process

The arbitration process will continue on the basis of the practice currently adhered to by the parties, but any disputes relating to such practice or any requests for changes in the practice may be referred to the Chief Arbitrator, or Deputy Chief Arbitrator as referred to herein, for a ruling.

3.1 This procedure shall not apply to Union allegations of unfair treatment or Union concerns regarding the adequacy of job documents and/or the rating, for jobs covered by the Clerical-Technical Job Evaluation Plan or the Area Clerk Plan, which shall be processed in accordance with the challenge procedures contained in The Union Clerical-Technical Job Evaluation Manual.

3.2 Where a difference arises between the parties relating to the interpretation, application, or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration.

3.3 Unless the parties agree to a Board of Arbitration, or the Chief Arbitrator or the Deputy Chief Arbitrator so order, all grievances shall be submitted to Single Panel Arbitration.

3.4 Chief Arbitrator and Deputy Chief Arbitrator

For the duration of this Collective Agreement, Martin Teplitsky shall serve as the Chief Arbitrator. The Chief Arbitrator will have

exclusive, final and binding authority over all issues relating to the scheduling of cases, including decisions as to who hears which case and when it is heard and shall have the power to relieve against time limits, including those in the grievance process and the referral to arbitration in respect of all cases.

3.5 All Arbitrators

All arbitrators are to determine their own procedure, may admit evidence that would not be admissible in court and may rely on such evidence to render a decision. All arbitrators will have the power and authority to determine the real issues in dispute between the parties in any particular case and to relieve against time limits in the grievance process. All arbitrators' decisions will be final and binding. All arbitrators shall have the power to make interim relief orders.

3.6 Principles of Single Panel Arbitration

- (a) Arbitrators shall decide up to fifteen (15) grievances each day. The cases shall be heard on an expedited basis after the parties have exchanged their written briefs. Oral evidence may be called only where the arbitrator deems necessary and only with leave of the arbitrator.
- (b) The decisions are precedent setting and shall be accompanied by reasons on any non-factual issues.
- (c) The parties may use the services of counsel.

3.7 Powers of the Chief Arbitrator in the Single Panel Process

- (a) The Chief Arbitrator, in consultation with the parties, will have the power to:
 - (i) appoint arbitrators;
 - (ii) assign grievances for resolution;
 - (iii) schedule hearing dates in consultation with the parties.

Any of the Chief Arbitrator's powers may be delegated to the Deputy Chief Arbitrator.

3.8 Board of Arbitration

A Board of Arbitration shall consist of a Company nominee, a PWU nominee, and an Arbitrator. A party requesting that a grievance be heard by a Board of Arbitration shall do so in writing to the other

party within 10 days of the date the GRB referred the grievance to arbitration.

3.8.1 Nominees

Once either party notifies the other party that an unresolved grievance will be referred to arbitration, such notice shall contain the name of the first party's nominee to an arbitration board. The recipient of the notice shall within 10 days, if he/she consents to the grievance being heard by a Board of Arbitration, advise the other party of the name of its appointee to the arbitration board. The parties shall then have 10 days to agree to a Chairperson for the Board of Arbitration.

3.8.2 Arbitrator

If the parties agree that a Board of Arbitration should hear a grievance but fail to agree upon a chairperson within the time limit, an appointment shall be made by the Chief Arbitrator, or, if the Chief Arbitrator is incapable of doing so, through the facilities of the Ontario Labour Management Arbitration Commission or the Minister of Labour, upon the request of either party. The Arbitration Board shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee affected by it. The decision of a majority shall be the decision of the Board of Arbitration, but if there is no majority, the decision of the chairperson shall govern. However, in no event shall the Board of Arbitration have the power to change, alter, modify or amend any provision of this Agreement.

3.8.3 Powers of the Chief Arbitrator in the Board of Arbitration Process

- (a) To determine the hours within which arbitrations are conducted.
- (b) To assist in reducing the cost, and reducing the delay and increasing the efficiency of the arbitration process.

ARTICLE 4 WORKING CONDITIONS

- 4.1** Working conditions during the term of this Agreement shall be as outlined in this Agreement and Mid-Term Agreement³ except such Mid-Term Agreements as are agreed obsolete by the parties.

³ A Mid-Term Agreement is a modification of the Collective Agreement executed by the parties on the prescribed form (a specimen of which is shown below) during the term of the Collective Agreement.

In addition, the general environmental privileges surrounding an employee shall also be considered as working conditions. These privileges would include such things as wash-up time, transportation facilities, safety appliances, general safety or health precautions.

4.2 Any modification within the confines of this Agreement shall be subject to agreement by the Company and the Union's executive. Changes to the undernoted subjects, however, can be made with the written agreement of the Chief Steward with the exception as noted in 4.2 (e) and may be cancelled by either party upon the giving of 30 days' notice:

- (a) Changes in working hours between the hours of 7:00 am to 6:00 pm for an individual, work group or crew.
- (b) The extension of acting positions beyond 90 days as outlined in Part B Section 10.0 and Part D Section 8.0.
- (c) Modifications to hours of work (specific) at all locations for banked time arrangements.
- (d) Local extensions to a maximum of three months beyond the normal 15 accumulated months (in which there have been no breaks in employment exceeding five months) on the use of temporary employees to meet short term staffing requirements without invoking regular-seasonal status.
- (e) Arrangements allowing flexibility for employees assigned to temporary work headquarters subject to PWU Sector Vice-President or delegate approval.

4.3 Unless specifically referred to in a Mid-Term Agreement the pertinent provisions of the Collective Agreements shall apply.

(SAMPLE)
**MID-TERM AGREEMENT
TITLE**

Number

Date

It is jointly agreed that the following Mid-Term Agreement shall form part of the Collective Agreement between the parties:

THE COMPANY

UNION

4.4 Employees shall be allowed access to their own personnel file. Employees should submit the written request to their supervisor. Review of the file shall be carried out in the presence of the supervisor or human resources contact. Additions or deletions to

the file shall be made only with the approval of the supervisor and the human resources contact.

ARTICLE 5 UNION SECURITY

- 5.1** All employees covered by this Agreement who are members of the Union on the date hereof shall, as a condition of employment, maintain such membership.
- 5.2** Employees who are not members on the date hereof but who become members of the Union subsequent to said date shall as a condition of employment, maintain their membership thereafter.
- 5.3** New employees shall, as a condition of employment, be or become members of the Union within 15 days of their engagement and shall, as a condition of employment, maintain their membership thereafter.
- 5.4** Membership as a condition of employment as specified in 5.1, 5.2 and 5.3 shall not apply while membership is withheld or suspended, or where a member is expelled by the Union.
- 5.5** In all cases for employees in the Collective Bargaining Unit as defined in Article 1, the Company shall be responsible for the signing of dues authorizations and shall deduct from the weekly wages of each employee, an amount equal to the weekly Union dues in effect at the time and shall transmit the monies so deducted to the Financial Officer of the Union at the times designated by the Union.
- 5.6** A Union representative will be given an opportunity to conduct an orientation session for new probationary/regular employee(s) or temporary employees with greater than 6 months' service within regular working hours at a time and of a duration that is mutually agreeable between the Company and the Union. The purpose is to acquaint the new employee with the benefits and duties of Union membership.
- 5.7** The Company will not oppose any action by the Union to discipline its members as identified in its constitution.

ARTICLE 6 NO DISCRIMINATION

- 6.1** The Company shall not discriminate against an employee because of membership or activity in the Union or the exercise of his/her lawful rights, and any employee covered by the Agreement who feels that he or she has suffered discrimination shall have the

right to seek redress in accordance with Grievance and Arbitration Procedures.

- 6.2** An employee who has a complaint with respect to discrimination in the employment relationship, as envisioned under the Human Rights Code, will have access to the internal Human Rights resolution process if he/she so desires. The employee, if he/she so desires, may have a Union representative present. The complaint, the Human Rights resolution process and the results of same shall not be subject to the grievance/arbitration process.

ARTICLE 7 MANAGERIAL RIGHTS OF THE COMPANY

The Company has and shall retain the exclusive right and power to manage its business and direct its working forces including, but without restricting the generality of the foregoing, the right to hire, suspend, discharge, promote, demote, and discipline any employee. The Company shall exercise the said functions in accordance with the provisions of this Collective Agreement.

ARTICLE 8 JOB CLASSIFICATION AND WAGE RATES

Job classification and wage rates shall be as they appear in wage schedules constituting part of this Agreement. The Company shall discuss with the Union any changes to existing job classifications and wage rates, or the introduction of new job classifications and new wage rates. Where a difference arises between the parties, the Company may introduce the new or amended job classification or wage rates; but either party may require that the difference between them be submitted directly to the arbitration process as detailed in Article 2.7 and the decision shall be binding on both parties.

ARTICLE 9 SPECIFIC MATTERS OF AGREEMENT

- 9.1** These matters are to be dealt with in accordance with Parts 'A', 'B', 'C', 'D' and the Union Clerical-Technical Job Evaluation Manual.
- 9.2** Where a new field of endeavour is undertaken by the Company and the employees concerned fall within the jurisdiction of the Union by virtue of Article 1, the question of whether such employees will be covered by an existing part of the Collective Agreement, an existing part of the Collective Agreement with special provisions or modifications, or a new part of the Collective Agreement will be one for joint agreement.

ARTICLE 10
SELECTION TO VACANCIES

10.1 General

- 10.1.1** No person shall be appointed to a vacancy in the PWU jurisdiction until all qualified PWU represented applicants have been selected. This restriction is limited to situations involving inter-Union jurisdiction and does not apply to non-Union personnel.
- 10.1.2** If an employee is appointed to a vacancy within the PWU jurisdiction from a bargaining unit which restricts seniority in the Company to its own membership, his/her seniority will be limited to service within the PWU bargaining unit.
- 10.1.3** The Company may request a waiver of Posting and/or Selection from PWU when there are medical reasons related to the employee or his/her immediate family, as verified by the Chief Physician/Manager of the Health Services Department. If the waiver request is agreed to by the Union, the employee will be appointed to the position.

Employees appointed to positions, which are filled due to an agreed to waiver of posting and/or selection, will be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.1.4 Appointments/Notification

- 1.** If the candidate selected has already been appointed to another position, but has not yet reported to the new job, he/she shall be given the opportunity of choosing the one he/she prefers unless it is in the Company's interest that he/she accepts the first appointment.
- 2.** On request, the Company will explain, in writing, to any unsuccessful applicant for an advertised vacancy, the reason why he/she was not selected for the position.
- 3.** All regular full time and regular part time positions within or one level above the Union's jurisdiction will be advertised province-wide when they become vacant. Selection to be made or the vacancy cancelled within four months after the posting date of the advertisement. Transfers of successful applicants to be made or rate for the new position paid in accordance with the Promotion Rule as identified in Part A, Section 24.1, 60 days from the date of selection for the position.
- 4.** Vacancies as set out in Article 10.5 shall not be subject to the provisions contained herein 10.1.4.7 to 10.1.4.9 inclusive.

5. *One electronic copy of all posted vacancies within or one level above the PWU's jurisdiction will be forwarded to the Union as designated by Sector 3 Vice President.*

6. One copy of the compiled list of applicants for all advertised vacancies will be forwarded to the Union office.

7. When a final decision has been made, the supervisor of the vacancy will ensure that:

The unsuccessful applicants who were interviewed are notified of the final decision as soon as possible. The name of the successful applicant should be given.

The successful applicant and his/her supervisor is notified.

Notify Human Resources of the name of the successful applicant for publication in the selection notices. This published list will be considered appropriate notification for those applicants who were not interviewed.

8. Similar Vacancies

When a similar vacancy occurs beyond four months following the posting date of the advertisement, it must be re-posted and considered separately.

9. Instructors and Training Technicians

Advertised vacancies for instructors and training technicians may be filled on a temporary basis. The time period shall not exceed 18 months after which the incumbent will revert to his/her regular classification and location. The position(s) will be advertised each time with the provision that an employee will not be selected for two (2) consecutive terms. The employee shall be compensated as per Part 'A' Item 17.1.1 for the position while he/she is retained in it and his/her progression in his/her original classification will not be delayed because of such temporary assignment. The number of positions in a department filled on a temporary basis will not exceed 50% of the positions filled on a regular basis.

10.1.5 The following definitions shall be used to determine an employee's entitlement to be considered for a non-supervisory vacancy:

(A) Seniority

Except as provided in Section 10.1 of this Article:

1. An employee's seniority, for purposes of selection to vacancies, shall be the service credit as defined in Part 'A', Item 5.0.
2. Service with an acquired company will be added to the employee's seniority.
3. The total service credit with the Company will be used for comparing seniority of applicants rather than service in a position, trade, or occupation.

(B) Base Weekly Income

1. The maximum base rate per classification as shown on wage schedules 20, 21, and 31.
2. The maximum base hourly rate per classification as shown on wage schedules 24, 25, 26, 27, 28, 29, 30 and 32 multiplied by 40 hours.

(C) Promotion Application

1. Where the base weekly income (maximum rate) of the advertised position is higher than the base weekly income (maximum rate) of the applicant's present position.
2. Where an employee submits an application to a position of equal rating (same base weekly income) which requires fewer normal weekly hours of work.
3. Where an employee who presently occupies a position regularly requiring or subject to shift work, applies for a position of equal rating (same base weekly income) but not regularly requiring or subject to shift work.

(D) Lateral Application

Where the maximum rate (base weekly income) of the position applied for is equal to the maximum rate of the applicant's present position and the factors identified in 10.1.5 C (2) and 10.1.5 C (3) do not exist.

(E) Demotion Application

Where the maximum rate (base weekly income) of the position applied for is lower than the maximum rate of the applicant's present position.

10.2 Supervisory Positions

1. In considering applicants for supervisory positions, primary consideration should not be given to seniority but to personal qualities such as leadership, reliability, judgment, ability to organize and instruct and an understanding and a display of the practice of good human relations. For supervisory positions, an endeavour will be made to select the most promising candidate.
2. Only those individuals satisfactorily possessing the above characteristics, as assessed by the Company, should be considered. Where practicable, applicants for supervisory positions should be interviewed by the supervisor responsible for the selection. Seniority will govern only in cases where there does not appear, in the Company's opinion, to be much difference in qualifications.
3. For the purpose of this Article, supervisory positions will include:
 - (a) Union Trades Supervisor – Level 3 and higher positions in the trades
 - (b) Clerical-technical jobs which are credited with degree 3 or higher in the Responsibility for Supervision factor of the Clerical-Technical Job Evaluation Plan.
 - (c) Supervising Meter Reader
4. The provisions of Article 10.2.(3.) above will not affect the status of incumbents for Union representation or the future posting of vacancies as they may occur.
5. Appointments to positions above the jurisdiction of the Union shall not be subject to the Grievance Procedure. However, the Company will give due consideration to representations of the Union where there is evidence of obvious irregularities or discrepancies.
6. Candidates selected to supervisory vacancies which represent a lateral or demotion in accordance with Article 10.1.5 and employed for a minimum of five years in their current work headquarters shall be entitled to moving

expenses in accordance with the provisions of Part 'A', Item 23.0. Candidates selected to promotions shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.3 Non-Supervisory Positions: Clerical Technical and Controller/Dispatchers

Exceptions: Positions identified in Section 10.2, 10.4 and 10.5 of this Article.

1. The Company will use all available information and determine those applicants who are qualified to fill the vacancy.

One of the requisites is the minimum years of experience as set out in the job specification. Before any consideration is given to seniority the supervisor responsible for making the selection must determine, from the list of applicants, those employees who have the qualifications to do the job satisfactorily.

A recommendation by the supervisor should then be made from the qualified employees, overall seniority being the governing factor.

An employee's experience with another company will be taken into consideration in determining his/her qualifications for a position.

- 10.3.1** Management reserves the right to restrict the application to a vacancy under Article 10.3 when the selection of candidates, for whom it may result in a lateral or demotion, reduces the capability in a given classification below that considered by Management as required for the effective continued operation of the sending department at a location (eg, P&C Staff at Middleport). In such situations, only those senior qualified candidates will be selected from that department at a location which will not adversely affect its effective continued operation; the remaining senior qualified candidates will be selected from other departments at a location on the same basis. Location is defined in Article 11.3.

Employees will receive written notice from his/her supervisor if their selection may be voided because they cannot be released. A copy of this written notice is to be given to the Chief Steward.

10.3.2 Transportation and Moving Expenses

Candidates selected to non-supervisory vacancies which represent a lateral or demotion in accordance with Article 10.1.5 and

employed for a minimum of five years in their current work headquarters shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0. Candidates selected to the promotions shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.4 Non-Supervisory Positions: Trades

Selection to Trade Classifications on Wage Schedule 25 (Trade Groups 01 and 02), Wage Schedule 28, Wage Schedule 27 (Trade Group 01, 02, 07), Wage Schedule 24 (Trade Group 01, 10).

1. Senior qualified journeyman⁴ from a formally established travelling crew with three (3) or more years continuous service on the travelling crew for whom the vacancy represents an equal classification, provided that not more than 20% of the total classification complement from a travelling crew is transferred in a calendar year. In calculating the 20% attrition ratio, a transfer for purposes of this item will be defined as any employee transfer out of such travelling crew to any position within the Company. Moving expenses as defined in Part 'A', Section 23.5 will apply to such transfers.
2. Senior qualified journeyman applicant for whom the vacancy represents an equal classification.
3. Senior qualified applicant from another classification.
4. The Union will meet with Management twice yearly to participate in the development of selection strategies of the following:
 - (I) Senior qualified journeymen from the PWU Hiring Hall.
 - (II) Senior qualified employees from the PWU Hiring Hall who have successfully completed the Hydro One Inc. apprenticeship or are currently enrolled in the Hydro One Inc. apprenticeship. This group shall comprise 70% of the selections (rounded to the closest number of employees) under this item provided sufficient applicants are available. Selections beyond 70% require joint agreement.
 - (III) All other regular internal applicants.

⁴ Defined as the qualified journeyman who has the longest tenure on their current formally established travelling crew. Tenure flows between travelling crews if employees are transferred as a result of Article 11.

Note: When selecting from (I) or (II) above, Section 18 of Appendix "A" shall apply to each group separately.

5. External applicants

10.4.1 Selection will be subject to:

- (a) The employee must be releasable in accordance with the provisions of Article 10.3.1. This does not apply to 10.4.(1.)
- (b) Employees with documented performance deficiencies or job related health limitations as identified by the Health Services Department may not be eligible for lateral considerations.

10.4.2 Transportation and Moving Expenses

Candidates selected to non-supervisory trades positions will not be automatically entitled to the moving and transportation expenses provided in Part 'A', Item 23.0. Reimbursement of any such expenses incurred by the employee, in whole or in part, shall be at Management's discretion.

10.5 Non-Supervisory Positions: Other Positions

The following classifications will be selected on the following basis:

- Trades positions of journeyman rank and lower covered by Part 'B' with the exception of Wage Schedule 25 (Trade Groups 01 and 02), Wage Schedule 28, Wage Schedule 27 (Trade Group 01, 02, 07), and Wage Schedule 24 (Trade Group 01, 10).
 - Controller/Dispatcher Trainees
 - Other jobs below Grade 55 covered by the Clerical-Technical Job Evaluation Plan.
1. Article 10.5 vacancies will be internally advertised province-wide for the same time period as other vacancies. Similar vacancies that occur within four months of the posting date of the advertisement will not require posting.
 2. All employees are eligible to apply and will be given fair and objective consideration prior to hiring of applicants from outside the Company. When making appointments, seniority will not be the governing factor.
 3. The senior qualified journeyman applicant for whom the vacancy represents an equal classification will be selected subject to the following:

- (I) The employee must be releasable in accordance with the provisions of Article 10.3.1.
- (II) Employees with documented performance deficiencies or job related health limitations as identified by the Health Services Department may not be eligible for lateral considerations.
- (III) When filled by the senior qualified applicant as per the above, the resulting backfill vacancy will be filled in accordance with provisions of paragraph 10.5.(2.)

4. Selection Priority

Selections will be made in the following order:

- (I) Senior qualified journey person applicants for whom the vacancy is an equal classification.
- (II) Applicants selected on the basis of fair and objective consideration.

- 5. Article 10.5 vacancies are different from other vacancies, hence there shall be no requirement upon the Company to apply the provisions related to posting of vacancies contained in 10.1.4. The successful applicant will be identified in the Selection Notices.

10.5.1 Transportation and Moving Expenses

Candidates selected to vacancies as per Article 10.5 will not be automatically entitled to the moving and transportation expenses provided in Part 'A', Item 23.0. Reimbursement of any such expenses incurred by the employee, in whole or in part, shall be at Management's discretion.

Candidates selected to controller/dispatcher trainee positions who have two years' service shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.6 Transition Provisions

- (a) After March 31, 2002, an employee in a bargaining unit whose collective agreement has a reciprocal clause who is in receipt of a notice of termination/layoff from that bargaining unit or who has been laid off and subject to recall or who has been identified as overcomplement is eligible to apply to posted vacancies and placement opportunities in Hydro One. He/she will be given fair and objective consideration for employment before new hires. A successful applicant will

transfer his/her service credit and seniority credits to the new Company. No employee hired pursuant to this Article will be entitled to any relocation or moving expenses under the provision of any Collective Agreement.

- (b) Employees in a bargaining unit who are not covered by Item 10.6 (a) may apply for posted vacancies and placement opportunities in another bargaining unit. The employer in receipt of the application has no obligation to consider the application of such employee(s) from another bargaining unit. A successful applicant will transfer his/her service and seniority credits to the new employer.
- (c) The provisions of Article 10.6 (a), and (b) have no application to any person who was not an employee of Ontario Hydro on August 31, 1998 or whenever the move to successor Collective Agreements is complete.
- (d) Any service credit restoration, as per Part A, Item 5.0, shall include service earned as an Ontario Hydro employee and service earned as an employee of any Ontario Hydro successor company.

ARTICLE 11 SURPLUS STAFF PROCEDURE

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NOTE:

Appendices A & B of Article 11 form part of this Collective Agreement. Any changes to lists, including the addition or deletion of locations, worksites and work centres shall require joint agreement. Such joint agreement will be reached prior to the movement of staff.

11.0 Worksite Redeployment

This provision may be implemented and completed without activating Article 11 in total.

Employees who are over complement and must redeploy will be given the options of available sites along with the option of severance as described in Article 11.14.1 and item 2(a) below.

1. Within a worksite⁵, Management may deploy employees within equal classifications.
2. Where Management has identified an over-complement in a classification at a worksite(s) and an under-complement at another worksite(s) in an equal classification⁶, Management may deploy employees from an over-complement worksite to an under-complement worksite on a senior choice/junior force basis until either the over-complement or under-complement ceases to exist, whichever occurs first.
 - (a) A junior employee who refuses to be transferred will be subject to discipline up to and including termination. All disputes regarding the discipline and termination of an employee who refuses a transfer will be referred to Martin Teplitsky for resolution on an expedited basis. An employee who is terminated for refusing a transfer under the terms of this agreement shall be eligible to receive reduced severance pay pursuant to Article 11.14.1(i) as well as Article 11.14.2 (Benefit Continuance/Tuition/ Outplacement Services), if the proposed transfer is to a worksite that is not within a reasonable commuting distance from his/her residence.

Where an employee is terminated for refusing to transfer to a worksite which is within reasonable commuting distance from his/her residence, there is no severance or other provisions payable to such employees.

- (b) Management has the right to determine the classification(s), number of over-complement positions, number of under-complement positions and the worksite(s) that will be dealt with under each operation of this provision.
- (c) Management will provide at least four (4) weeks' notice to employees in the over-complement classification and worksite of the intended date of transfer by posting in the over-complement worksite(s) a notice which sets out:
 - the affected classifications;
 - number of positions to be filled;
 - under-complement worksite(s); and
 - proposed transfer date.

Subsequent to this four (4) week posting employees designated for transfer will be provided with at least two (2) weeks' notice of their actual transfer date. In determining an employee's transfer date the company will consider the

5 As defined by Article 11, Appendix B

6 As defined by Article 11

personal circumstances of the employee and the business needs of the company. A copy of this notice will be provided to the PWU Sector 3 Vice President.

- (d) Employees transferring will be entitled to moving expenses and housing assistance as set out in Part A, Item 23 except where as a result of the transfer the employee has a different work headquarters that is within a reasonable commuting distance from his/her residence.
3. Under-complement positions that remain vacant after the operation of 1 and 2(a) will be posted in accordance with the Collective Agreement.
4. If the transfer results in a move to a lower-rated equal classification, wage maintenance as per 11.19 will apply.
5. There will be no permanent transfers under this Article into a worksite/centre which has been identified as a worksite/centre to be closed permanently during the 18 month period following intended transfer date.
6. Medically restricted at work (MRAW) employees who have had a special position created for them cannot be terminated for refusing a transfer under 11.0 (2). In the event that there is a closure of a worksite, the MRAW employee will transfer in accordance with this Article and where necessary be accommodated in accordance with applicable legislation.
7. Performance Limitations: When an individual has a verifiable physical or medical limitation and is not required to be accommodated under the Human Rights legislation and which prevents him/her from performing the essential functions of a job in his/her Occupational Group Listing (OGL) into which he/she may be transferred, and which is voluntarily identified in advance of determining those to be transferred, the Company and the Union will meet to discuss this individual. It is understood that if there is no mutual agreement the Company may proceed to implement the layoff. Nothing in this Article is intended to require any employee to self-identify or to modify in any way the rights or obligations of the Company, Union or employee under the Human Rights legislation.
8. Employees on pregnancy/parental leave, or assignment outside Ontario or approved leave of absence, vacation, sick leave will be subject to this process and be required to participate as if they were in their regular position. Such employees will assume their new positions upon return and until such time the positions will be filled on a temporary basis if required by the Company.

The company will make reasonable efforts to contact personally employees on such leave but in any event such employees will be provided with written notification that the Company is initiating a worksite redeployment. The Company can only rely on the last address and telephone number provided by the employee.

9. Employees on LTD including those in a LTD funded Rehabilitation and Re-employment Program may not be subject to the provisions of Article 11.0.
10. Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with worksite redeployment, with joint agreement may be given special consideration for worksite protection/preference.
11. Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

11.1 Surplus Staff Procedure – Sequence of Events

Prior to/in place of the implementation of the surplus staff procedure outlined below the Company will offer Cash Out to employees in a location in an over complement classification (or equal classification) to eliminate the over complement situation. Employees who elect to accept the Cash Out offer shall be eligible to receive the provisions of Article 11.8.1.

In the event that the number of employees to be issued initial notice of termination/layoff is 40 or less, the process outlined below shall be modified such that only those employees impacted as a result of the layoff or displacement process shall participate. The company will provide the PWU a listing of those employees who will receive initial notice of layoff/termination and those employees potentially impacted by the displacement process two weeks in advance.

Layoffs/Termination(s) of regular employees, as a result of the operation of Article 11.1 will be implemented a maximum of once each calendar year.

1. The Company will notify the PWU and the Job Evaluation Department of the intention to run Article 11 approximately two weeks in advance. Job challenges and Management job reviews will be frozen from the date of this notification until the announcement date of the results of Article 11.
2. All regular employees will have a completed option election form retained on their personnel file (901). Approximately one week prior to notice date, all regular full-time and regular part-time employees shall be provided with a personal information package.

3. The Company will give initial notice of termination/layoff in accordance with Article 11.5.
4. The Company will confirm to employees all information received on revised Option Election Forms.
5. Requests to correct employee base data (in item #2 above) are received by the PWU from the employee and forwarded to the Company.
6. Employees who received initial notice of termination/layoff and employees who are in an equal classification at the location shall receive priority consideration to posted vacancies which represent a lateral or demotion, commencing 8 (eight) days after initial notice has been provided.
7. After all data is collected and the Company is in a position to apply Article 11, there will be a “freeze” period during which vacancies will be held open. This period shall be for a minimum of three weeks before employee displacement rights are determined and announced by the Company. These vacancies may be filled on a temporary basis during this freeze period pending the determination and announcement of the results of the application of Article 11.
8. Employee displacement rights will be determined and those employees who will be displaced, laid off and/or terminated shall be identified. All displacements and the names of employees to be laid off or terminated will be identified “on paper” at the outset prior to implementation of any changes resulting from the announced reduction of complement.
9. The names of the employees who will be displaced, laid off and terminated shall be announced.
10. After the Company announces the results of the application of Article 11, employees displacing into another location will be identified and worksite/centre preference will be determined by seniority on a senior choice/junior force basis.
11. The “freeze” on filling vacancies ends at the time of the announcement. During the period after the announcement and prior to the date of termination set out in the initial notice of termination/layoff, the Company, pursuant to Article 10, will post vacancies which remain unfilled after the displacement process and new vacancies as they arise. Employees faced with layoff shall be given priority consideration to such vacancies which represent a lateral or demotion over other applicants. If vacancies remain unfilled after the Article 10 process, during the period prior to the

layoff fair and objective consideration for such vacancies will be given to applications from employees to be laid off.

12. The implementation of displacements, layoffs and terminations pursuant to the Article 11 process will commence on the date of termination/layoff identified in the initial notices unless extended by the Company in accordance with the *Employment Standards Act* and regulations and subject to any “reversals” which may have occurred as a result of employee terminations.

11.2 Application

- (a) This procedure applies only to the bargaining unit in this Collective Agreement.
- (b) This procedure applies to regular full-time and regular part-time employees. The displacement and recall rights of probationary employees and regular-seasonal employees are limited to those contained in 11.12.
- (c) The Company will supply the PWU Bargaining Resource Department with an accurate computerized seniority list (see note below) separated by Occupational Group Listings (OGL's) and sorted by province and locations on February 1st and August 1st and at the time the Company gives initial notice of termination/layoff under this Article.

The Company will also post a seniority list in each worksite on February 1 and August 1. The seniority list will be a single list of employees, which will include the following information (subject to revision after consultation with the Company and the PWU):

- Name/employee number
- ECD
- Base OGL
- Level
- OCC code
- Title
- Building code
- Geographic location
- Status
- Business

In the absence of a challenge in writing by the Union within thirty (30) calendar days of posting, the seniority list will be deemed to be accurate and the Union will not subsequently be able to challenge the accuracy of the list. In the event of a challenge, the parties will try to resolve any differences. If there is no agreement, either party may refer the challenge to

Arbitrator Teplitsky under the expedited dispute resolution process for deciding OGL disputes.

NOTE

The computerized seniority list provided to the PWU will contain the following data:

Last Name, Initials, ECD, Occupational Code, Job Title, Schedule, Base Occupational Group Number, Grade, Location, Building Code, Payroll Number, Business Unit, Division, Department, Hours of Work, Date of Notice of Termination/Layoff, Date of Expiry of Recall, End Rate of Classification.

- (d) Approximately one week prior to notice date, all regular full-time and regular part-time employees shall be provided with a personal information package containing the following:

- Name
- Employee Number
- Established Commencement Date (ECD)
- Base Building Code
- Geographic Location
- Occupation Code
- Job Title
- OGL number and level
- Current Option/Election form choices
- Blank Option/Election form
- Listing of locations (Appendix A)
- Copy of Hydro One Inc. maps

In the absence of a written challenge by the union prior to freeze date, the employee data will be deemed to be accurate and the union will not subsequently be able to challenge the accuracy of the information.

- (e) Medically Restricted at Work (MRAW) employees who have had a special position created for them cannot be displaced. In the event that there is a closure of a worksite or the special position is redundant, the MRAW employee will displace in accordance with this Article and where necessary be accommodated in accordance with applicable legislation. For purposes of Article 11 the MRAW employee will be deemed to be in the classification held immediately prior to being placed in the special position.
- (f) Performance Limitations: When an individual has a verifiable physical or medical limitation and is not required to be accommodated under the Human Rights legislation

and which prevents him/her from performing the essential functions of a job in his/her Occupational Group Listing (OGL) into which he/she may be displaced, and which is voluntarily identified in advance of determination of displacement rights following notice of layoff, the Company and the Union will meet to discuss this individual. It is understood that if there is no mutual agreement the Company may proceed to implement the layoff. Nothing in this Article is intended to require any employee to self-identify or to modify in any way the rights or obligations of the Company, Union or employee under the Human Rights legislation.

- (g) Employees on pregnancy/parental leave, or assignment outside Ontario or approved leaves of absence, vacation, sick leave will be subject to this process and be required to participate as if they were in their regular position. Such employees will assume their new positions upon return and until such time the positions will be filled on a temporary basis if required by the Company.

The Company will make reasonable efforts to contact personally employees on such leave but in any event such employees will be provided with written notification that the Company has initiated lay-off procedures and that their employment status may be affected. The Company can rely on the last address and telephone number provided by the employee.

- (h) Employees on LTD including those in a LTD funded Rehabilitation and Re-Employment Program may not displace nor are they subject to displacement.
- (i) Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with displacement or layoff, with joint agreement may be given special consideration for worksite protection/preference.
- (j) Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

11.3 Definitions

1. "Base weekly rate" and "base hourly rate" include pay equity adjustments.
2. "Classification" shall mean an employee's trade or job title.

3. “Equal Classification” or “Equal” is a classification in an employee’s OGL where the base weekly rate or base hourly rate is the same except that:

- (a) Some hourly rated trades have been identified as equals where most of the job duties are the same but the wage rate is different.
- (b) For pay equity adjusted rates, equal will be deemed to be those jobs whose terminal rates meet or exceed the Step 3 rates listed on Salary Schedule 20.

Example 1: Grade 55 + PEA, equivalent to Grade 57, Step 2 = Grade 56 and can displace Grade 56 jobs under Article 11 (Grade 56 (no PEA) can also displace this Grade 55 job).

Example 2: Grade 55 + PEA, equivalent to Grade 58 Step 2 = Grade 57 and can displace Grade 57 jobs under Article 11 (Grade 57 or 56 (no PEA) can also displace this Grade 55 job).

4. Lower: Lower Classification or Lower is a classification in an employee’s OGL where the base weekly rate or base hourly rate is lower.

For pay equity adjusted rates, lower will be deemed to be those jobs whose terminal rates are lower than the Step 3 rates listed on Salary Schedule 20.

Example 1: Grade 56 (no PEA) is lower than a Grade 55 + PEA equivalent to Grade 57 Step 3.

5. “Worksite” is a place of operations as identified by building code(s) and identified in Appendix A. An employee’s worksite will be their regular work headquarters as defined in Part A, Item 18.2.

6. “Work Centre” as identified in Appendix A.

7. “Location” means a geographic area which includes worksite(s) and/or work centres. Locations are identified in Appendix A.

8. “Occupational Group List (OGL)” means a jointly agreed to list of Equal and Lower classifications into which an employee can exercise displacement rights. OGLs are equals and lowers within the appropriate job family which an employee can satisfactorily perform within a reasonable period of familiarization and orientation.

9. "Surplus Employee" is an employee who has been given notice of termination/layoff by the Company or an employee who may be displaced or who is displaced from his/her position.
10. (a) "Seniority" means the service credit as defined in Part A Section 5.0, except for the restrictions contained in Article 10.1.2.

- (b) Where employees have the same seniority the employee with the highest employee number is deemed to be the more senior employee.

For purposes of determining displacements, layoffs and terminations, seniority will be calculated as of the date of the initial notice of termination/layoff. For all other purposes including subsequent layoffs, seniority will continue to accrue.

11. "Job Family" is a collection of jobs or job classifications involved in the same general nature of work.

It is recognized that some jobs straddle two (2) job families, e.g., technical-clerical. For these exceptions, jobs from both families may be included in the OGL.

The family for those jobs which do not neatly fall into one of the below will be jointly determined as required.

There are four families as listed below:

Clerical: Involving gathering, analysing, processing, recording, disseminating information or data, and/or the operation of miscellaneous office machines or equipment.

Technical: Involving the choice, application and/or manipulation of formulae, principles, techniques or natural laws in practical, mechanical or industrial arts or applied sciences.

Drafting: Involving the drawing up or preparation of plans, drawings, bills of materials, etc.

Trades/Controller/Dispatcher:

Involving skilled labour in areas such as electrician, mechanic, Regional Maintainer, labourer, controllers/dispatchers, etc.

12. "Former Classification" is defined as the position/ classification (previous occupation code) last occupied by the employee within five years of the Notice of Termination/Layoff excluding relief,

acting and temporary assignments. If the previous occupation code has been obsoleted and replaced by a new code, the new code and the old code will be deemed to be one and the same code for the purposes of determining former classification.

11.4 Occupational Group Listings (OGLs)

1. For a job to be included in an OGL, it must be a job which can be satisfactorily performed by the average employee in the surplus classification within a reasonable period of familiarization and orientation. This period will vary depending on the complexity of the job.
2. All existing jobs are placed in OGLs. OGLs shall be part of this agreement but shall be published in a separate publication.
3. New OGLs shall be jointly developed for new jobs or for existing jobs which have materially changed or for jobs which have the wage rate adjusted. If the parties cannot agree on an OGL, the dispute will be referred to Arbitrator Teplitsky for resolution in accordance with Article 11.4.2.

11.4.1 Failure to Demonstrate Qualifications

Once an employee displaces into a position in an OGL, the employee must be able to demonstrate an acceptable level of performance within a reasonable period of familiarization and orientation. Failure to achieve an acceptable level of performance in this time will result in layoff with severance as per 11.14 and recall rights to their pre-displacement classification.

11.4.2 Expedited Grievance and Arbitration Process for Job Classification Grievances and OGL Dispute Resolution

If the parties cannot agree on an OGL the disputes will be referred to Arbitrator Teplitsky for resolution as per Article 2.7 Dispute Resolution – Article 8, Plan B and OGL Process.

1. In the event of any lay-off, it is the parties' intention that best efforts will be used to resolve outstanding disputes before the beginning of the "freeze" period which precedes the announcement of displacement rights and the expedited procedure established herein will be used for this purpose. Where possible, priority shall be given to those disputes which could have an influence on classifications which may be affected by the proposed layoff. However, any unresolved disputes will not stop the Company from implementing any terminations/layoffs.

11.5 Notice of Termination/Layoff

1. The Company will give initial notice of termination/layoff to the most junior employees in a classification in a worksite. Employees

who receive initial notice of termination/layoff shall also receive cash-out information, selection priority information, and personal OGL information. Notices listing those employees receiving initial notice of termination will be posted at all Company worksites/centres. Pursuant to the terms of this Article, employees receiving such notice will be permitted to take another position in the Company as a result of which some other person either loses his/her position and is permitted to take another position or loses his/her employment. Such notice shall be deemed to be notice of termination to all affected employees including to those employees who may be displaced and to those employees whose employment is terminated or who are laid off.

2. Employees receiving initial notice of termination/layoff will be provided with two (2) months' notice of termination/layoff. An employee who has been given notice of termination/layoff may be given temporary work following the date of termination in accordance with the *Employment Standards Act* and regulations.
3. When an employee is given notice of termination/layoff the Company will notify the Union office and Chief Stewards within three working days from the date the employee is notified. The Union will be responsible for keeping the Company advised of the names of all Chief Stewards.

11.6 Employee Elections

1. All employees will be required to supply the Company, by a date determined by the Company, with information necessary to enable the Company to make decisions relating to employee displacements in Locations, and the Province. This information will be provided by employees on the Option/Election Form and a Location Preference Ranking Form, both of which are computer readable. The employees will rank all locations outside of their own in order of preference on the Location Preference Ranking form.
2. The information provided by the employee on the forms will amount to a decision by each employee, unless amended as set out in 11.6(4). The Company will be entitled to rely on this information for purposes of applying the provisions of Article 11.
3. In addition to providing other information requested on the Forms provided, employees shall elect to be placed into positions in their OGLs in one of two streams, either the Equal Stream or the Lower Stream. The employee may also elect to displace outside his/her OGL pursuant to 11.11.1(2) by supplying the required information.
4. Each employee will ensure the Company has an updated option election form, to be maintained in his/her personnel file. When

the Company initiates a layoff of employees under this Article, employees will have the opportunity to amend the option election form. Revisions to the option election form must be received prior to freeze date. The employee will be provided with a written confirmation of the information provided (refer to Article 11.1). If there is no request to amend by the employee by freeze date, the information contained in the confirmation shall be deemed accurate for all purposes.

11.7 Failure to Complete the Form

Any employee failing to supply the information requested on the forms, who receives initial notice of termination/layoff or is displaced, will be deemed to have chosen a lower classification in his/her Location and will not be entitled to displace into an equal or lower classification in the Province regardless of seniority. If there is no position in a lower classification in the Location into which he/she can displace, the employee will be laid off with recall or severance rights as per 11.14.

11.8 Cash Out During the Notice Period

1. Where a reduction in complement is to take place in a classification in a Location, all employees in that classification (or in an equal classification) in that Location may notify the Company of their desire to resign from the Company during the notice period. Upon request by an employee, the Company will provide relevant pension and benefit information to enable him/her to make an informed decision prior to being required to give notice of his/her intention to cash out during the notice period. Written notification by the employee of his/her desire to resign must be given within 7 days of receipt of the notice of termination/layoff. From the total number of eligible employees who indicate that they wish to resign, the Company will accept on a seniority basis a number from the classification (or an equal classification) equal to the number of surplus employees in the classification in that Location. Those employees accepted must resign and will receive:

- (i) severance pay as per Article 11.14; and,
- (ii) base pay from the employee's date of resignation to the end of the two (2) month notice period provided in the notice of termination/layoff, plus a lump sum payment (in lieu of notice) equal to three (3) months base pay (total = 21 weeks). (For employees who resign within the seven (7) day period and whose resignation is accepted, the payment will be five (5) months pay.)

The maximum number of weeks payable (i + ii) shall be 104.

2. Where the number of eligible employees who have resigned in the 7 day period is less than the number of surplus employees in a classification in the Location, additional resignations will be accepted on a first come basis from employees in that classification (or in an equal classification) until the freeze period commences or until the resignations from eligible employees equal the number of surplus employees in the classification in the Location. The resignation by the employee must be in writing in order to be accepted by the Company.
3. Employees who resign with cash out may not be from the worksite/centres or the actual classification with the surplus and a temporary deployment of employees to other worksite/centres within the location may be required to balance the complement.

To achieve this balance between worksite/centres the most senior employee who is prepared to accept the transfer and who is in the classification or an equal classification in which there is an overcomplement, and is at the worksite/centre from which an employee is to be transferred will be selected to the position. In the absence of senior volunteers, the most junior employee in the classification or an equal classification will be transferred to the position.

11.9 General

1. All employees work at a worksite or work centre in a Location.
2. Each employee shall have the responsibility to notify the Company of his/her current address and telephone number and any subsequent change. The Company shall be entitled to rely on the last address and telephone number furnished by the employee for all purposes.
3. Grievances under this agreement or a predecessor agreement which have not been resolved before the commencement of the freeze period do not affect the Company's right to layoff pursuant to Article 11.
4. At least two weeks before the determination of employee rights and the announcement of the results of the application of Article 11, a freeze period shall be implemented wherein all vacancies shall be held and filled temporarily where necessary. This freeze on filling vacancies shall end when the results of the application of Article 11 are announced.

11.10 Senior Choice/Junior Force (Province Displacement)

The principle of "senior choice/junior force" is designed to allow senior employees to have Location preference⁴⁴ where it is available. Employees

who can be displaced in a Location, in the Province are always the most junior employees in the classification into which the more senior employee can displace.

Therefore, the Locations in which the most junior employees in a classification are employed are the Locations which are available to more senior employees who may wish to exercise displacement rights out of one Location and into another in the Province. Where there are junior employees in Locations who may be displaced, senior employees will be given Location preference to the extent possible. However, the Company will assign an employee to an available position to a location in the Province where the employee's preference is not accommodated (i.e., he/she can be forced to accept a particular Location).

11.11 Displacements

- (a) Subject only to the provisions of paragraph 11.11.1 (2), an employee can only displace another employee of less seniority in classifications within his/her occupational group list.

Regular-Seasonal and Temporary positions and Agency employees are also displacement opportunities for regular employees in the absence of any regular positions.

- (b) A regular full time employee may elect, in advance on the Option/Election Form, to decline all available regular part time positions. A regular part time employee may elect in advance, on the Option/Election Form to decline all available full time regular positions. The employee must indicate his/her choice on the election option form failing which the employee will be deemed to have chosen to displace into both regular full time or regular part time positions.

Each employee must indicate his/her status (i.e., regular full-time or regular part-time) on the Option/Election Form. The employee's designation must be accurate. The employer will confirm the designation.

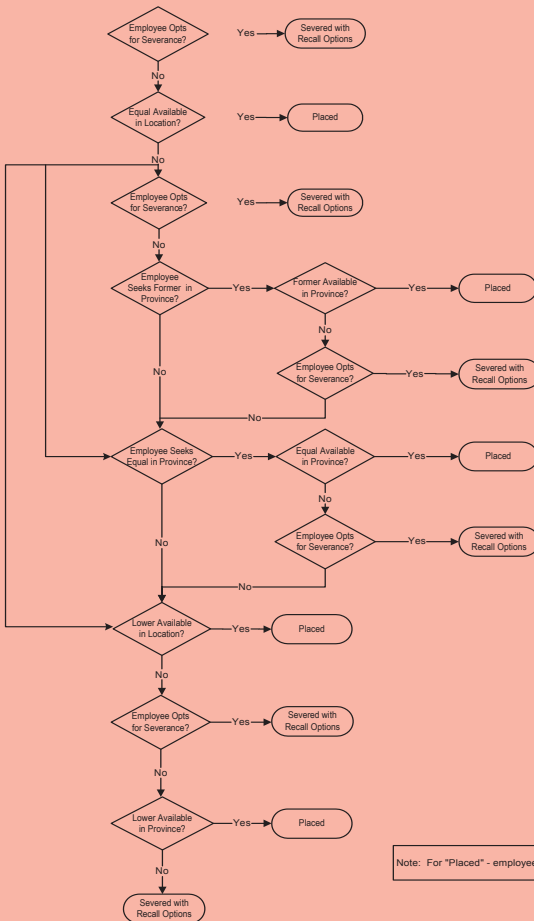
- (c) When an occupational group has more than one classification at the same level, the least senior employee shall be the most junior among all of the classifications at that level.
- (d) A vacancy within an employee's OGL is deemed to be the junior equal (see process in 11.11.1 below) or lower, (see process in 11.11.2 below) in all applications of the displacement process.
- (e) Displacements shall be on a senior choice, junior force basis.
- (f) Apprentices or Trainees are granted displacement rights into the classifications listed in the OGL of his/her terminal rated

classification. An Apprentice or Trainee can displace a junior employee within his/her OGL including a Journeyperson. If an Apprentice or Trainee displaces a Journeyperson in an equal classification, the apprentice or Trainee will continue in the apprenticeship program and will be paid as per their progression schedule.

- (g) Seniority rights outside the Location are only exercisable in the Province by employees with seniority of two (2) years or more.

Article 11 Displacement Flowchart

(This chart shall be read in conjunction with the text of the Collective Agreement)



Note: For "Placed" - employee must take if available.

11.11.1 Equal Stream

1. At the location an employee must displace the least senior employee in an equal classification. Refusal to accept results in termination of employment. If no position is available, then;
2. Where an employee has so elected on the Option/Election Form, he/she must displace the most junior employee with less seniority in the Province in the employee's former classification provided the employee was in the classification within five years of the date the notice of termination/layoff was issued pursuant to 11.5. Failure to accept results in termination of employment. If no position is available, then;
3. The employee will move to the "Lower Stream", or, if eligible, the surplus employee who has elected to displace in an equal classification in the Province must displace the most junior employee with less seniority in the Province. Refusal to accept results in termination of employment. If no position is available, then;
4. The employee will move to the "Lower Stream".

11.11.2 Lower Stream

1. An employee who has elected to displace in the Lower Stream must displace the least senior employee in an equal classification in the Location. Refusal to accept results in termination of employment. If no position is available, then;
2. An employee who has elected to displace into a lower classification and an employee not placed in the Equal Stream must displace the most junior employee with less seniority in next lower classification in his/her Location. If no position is available, then the employee will go to lower classifications in descending order in his/her Location until placed. Refusal to accept results in termination of employment. If no position is available, then;
3. An employee who has elected to displace into a lower classification must displace the most junior employee with less seniority in next lower classification in the Province. If no position available then the employee will go to lower classifications in the Province in descending order until placed. Refusal to accept results in termination of employment. If no position is available, then;
4. The employee is laid-off with recall rights.

11.11.3 Senior Choice/Junior Force (Within Location)

After the Company announces the results of the application of Article 11, employees displacing into another location will be identified and worksite/centre preference will be determined by seniority on a senior choice/junior force basis.

Employees displacing into a location will be given worksite/centre preference within the location to the extent possible on a seniority basis. Where there is more than one (1) employee displacing into a classification in a location, the principle of senior choice junior force will be applied to displace the most junior employees in the classification in the worksites/centres. In the absence of senior volunteers, the most junior employee in the classification will be transferred to the position.

11.12 Displacement and Recall Rights

The following sets out in full, the displacement, recall and severance rights, if any, for Probationary and Regular-Seasonal.

11.12.1 Probationary Employees

1. A probationary employee will displace the junior employee of lesser seniority in the next lower classifications in their OGL in descending order within his/her worksite/centre.
2. If 1. is not available, a probationary employee can displace a temporary employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.
3. If 2. is not available, a probationary employee can displace an agency employee in an equal or lower classification in his/her occupational group within his/her line of business in head office or within his/her worksite/centre outside of head office.
4. If 3. is not possible, employment is terminated.
5. Probationary employees shall not be entitled to recall rights or severance pay.

11.12.2 Regular Seasonal

1. A Regular Seasonal employee can displace a temporary employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.
2. If 1. above is not available, a regular seasonal employee can displace an agency employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.

3. If 2. above is not available, employment is terminated.
4. Regular seasonal employees shall be entitled to recall to temporary positions for a period of three years from the date of last termination.
5. A regular seasonal employee shall be entitled to recall to their Location, provided they have at least 24 months accumulated service.
6. To be recalled the employee must have filed a written request with the Company prior to March 1 of each year.
7. A person who is recalled by the Company shall be personally contacted when possible. Failing this contact a recall notice shall be forwarded by registered mail addressed to the last known address that he/she has recorded with his/her human resources manager. They shall be obliged to advise his/her supervisor of his/her intention to return to work within three working days and shall be available for work within five working days after receipt of recall notice.
 - (a) Except in case of sickness, failure to be available for work within five days of issuance of the recall notice shall make him/her ineligible for any further recall.
 - (b) It shall be the person's sole responsibility to inform the Union and the personnel manager in writing of any change of address. The Union will be notified in writing when persons are recalled to vacancies.
8. The Company shall notify the employee in writing at time of termination of the recall procedure. If the employee is not considered suitable for recall they shall be notified in writing and a copy of this letter shall be given to the employee's Chief Steward. Upon request the Company will provide the employee with the reasons why they are not considered suitable for recall.
9. The Company may hire a temporary employee for a period not exceeding one month without using this recall procedure.
10. Summer students both secondary and post secondary levels have no rights to this recall procedure.
11. A Recall List from each work Location for regular-seasonal employees shall be provided to the Chief Steward concerned.
12. Regular seasonal employees shall not be entitled to severance pay except in the case of permanent layoff. When permanently laid off severance pay will be calculated on actual time worked.

11.13 Permanent Location Closings

There will be no permanent displacements or moves into a worksite/centre which has been identified as a worksite/centre to be closed permanently during the 18 month period following notice of layoff/termination.

11.14 Severance Pay

Except as set out in 11.14.1, employees eligible for severance under Article 11 will receive the following:

- (a) An employee receiving severance pay waives any other rights under Article 11.
- (b) An employee may direct all or a portion of his/her payment into an RRSP up to the amount permitted by law. The employee shall provide the Company with the TD2 Form directing the payment into his/her RRSP.
- (c) An employee entitled to severance pay under 11.14 may elect to take a lump sum severance payment, or severance may be divided into two (2) equal instalments, the first on the date of termination and the second on or about January 15 of the following year, subject to statutory deductions, as follows:
 - (i) 4 weeks' base pay per year of service up to a maximum of 104 weeks' base pay (payments for incomplete years of service will be pro-rated).
- (d) For purposes of clarification at any time during the three (3) year recall period, a laid off employee may opt for his/her full severance entitlement, once this election is made all recall rights will cease.
- (e) For regular part-time employees severance payments shall be pro-rated.

11.14.1 Reduced Severance Pay on Refusing a Position

1. An employee who refuses to accept a position under Article 11.11.1 or 11.11.2 (except in 2. below) will be terminated and is disqualified from receiving severance pay under Article 11.14 and shall have no recall rights under Article 11.17. Such employees may elect to take a lump sum severance payment, or severance may be divided into two (2) equal instalments, the first on the date of termination and the second on or about January 15 of the following year, subject to statutory deductions as follows:
 - (i) two weeks' base pay per year of service up to a maximum of 52 weeks' base pay (payments for incomplete years of service will be pro-rated).

2. In cases where an employee refuses to accept a position where the new classification provides either a reduction of base wages of two (2) or more salary grades for job evaluated positions or in excess of 10% for others, the employee will receive severance pay pursuant to 11.14.
3. An employee may direct all or a portion of his/her payment into an RRSP up to the amount permitted by law. The employee shall provide the Company with the TD2 Form directing the payment into his/her RRSP.
4. For regular part time employees severance payments shall be prorated.

11.14.2 Benefit Continuance/Tuition/Outplacement Services

A surplus employee who takes severance pay and terminates his/her employment is entitled to:

- i) coverage under the Company's Health and Dental Plan for a period of six (6) months from the date of termination of employment or until the commencement of alternate employment whichever occurs first;
- ii) reimbursement for tuition fees and other associated expenses up to a maximum of \$5000.00 upon production of receipts from an approved educational program within 12 months of his/her termination;
- iii) outplacement services; the Company will determine the level of service and the service provider.

11.15 Failure to Report to Assigned Positions

In the event that an employee declines an assigned position and is terminated, or does not displace into a job occupied by another employee, or terminates after displacing another employee, the Company may reverse the displacement and leave the employee who would have been displaced in his/her job or return the displaced employee to his/her job. In all instances as described above the terminating employee will be entitled to severance pay in accordance with the appropriate sections of this Article.

Any vacancy which results from such a reversal will be filled by moving the previous incumbent back to his/her job. In other words, the chain of bumps (i.e., the displacement thread) caused by the initial reversal will be reversed except in circumstances set out below.

Where an employee has relied to his/her detriment on the announced relocation, and would be prejudiced by revocation of the displacement, the employee will not revert to his/her original position. Where the Company

would be prejudiced, the employee will not revert to his/her original position even if the employee does not object.

The declining of an assignment will not require the Company to re-do the Article 11 process.

11.16 Selection to Vacancies

Between the end of the 7 day cash out window and freeze date and after the end of the freeze period all positions which remain unfilled and any new vacancies which arise shall be posted under Article 10. During the period after the end of the 7 day cash out window and before freeze date and after freeze date but before announcement of results, priority consideration for vacancies which represent a lateral or demotion will be given to surplus employees and to those employees who are in an equal classification (to the over-complement employee) in the location. After announcement of results and before layoff occurs applications from employees who are to be laid off shall be given fair and objective consideration for vacancies. Employees who, prior to being laid off, applied for vacancies continue to be entitled to fair and objective consideration for those vacancies after lay-off. If selected to a vacancy posted prior to the date of layoff, the employee is eligible for moving expenses under Article 11. Among successful applicants seniority shall govern selection where all other factors are relatively equal.

11.16.1 Jurisdiction

No person outside the Union's jurisdiction will be selected to a vacancy commencing with the issuance of the notice of termination/layoff pursuant to 11.5 until:

- (i) All qualified PWU members are selected, including persons on the recall list, and,
- (ii) All PWU applicants entitled to fair and objective consideration are selected pursuant to 11.16.

11.16.2 Selection Priority

The following applies for equal and lower-rated vacancies.

Each category will be considered independently and in the order indicated:

- (i) Surplus employees and those employees in an equal classification to the surplus employee at the location where the surplus exists.
- (ii) As per Article 10.

11.17 Recall

1. Laid off employees who do not receive severance payments shall have recall rights.

2. Employees who are laid off will be entitled to recall to classifications in their OGL for a period of three (3) years from the date of his/her layoff. Recall lists will be maintained province wide.

If a person is recalled within one year of the date he/she was laid off, entitlement to vacation credit, seniority, and sick leave credits shall be the same entitlement as on the day of termination less any vacation allowance received at termination.

If a person is recalled during the second or third year after layoff, he/she shall be treated as a new employee for all purposes. Service credit will be restored in accordance with Part A, Item 5.3.

Reinstatement in the pension plan shall be in accordance with the pension regulations.

3. A person who is recalled shall be personally contacted by the Company where possible. Failing this contact, a recall notice shall be forwarded by registered mail addressed to the last known address that he/she has recorded with his/her Human Resources Manager. They shall be obliged to advise his/her supervisor of the intention to return to work within five (5) working days and shall be available for work within ten (10) working days after receipt of the recall notice.

NOTE

- (i) It shall be the employee's sole responsibility to inform the Union and the Human Resources Manager in writing of any change of address. The Union will be notified in writing when employees are recalled to vacancies.
 - (ii) Except in the case of sickness, failure to be available for work within ten (10) days after the receipt of recall notice shall make him/her ineligible for any further recall.
4. Except as noted later in this paragraph, if an employee refuses recall to a regular full time equal position or lower position at the location level he/she will be removed from the recall list and be entitled to reduced severance pay in accordance with 11.14.1. In cases where an employee refuses to accept recall to a position where the new classification provides either a reduction of base wages of two (2) or more salary grades for job evaluated positions or in excess of 10% for others, the employee will remain on the recall list. Refusal to accept recall to any position outside the Location will not result in loss of recall rights.
 5. At any time during the three (3) year recall period, a laid off employee may opt for his/her full severance pay entitlement. Once this election is made all recall rights will cease.

6. If at the end of the three (3) year recall period an employee has not been recalled or has not elected to receive severance pay, he/she will automatically receive the full severance pay entitlement.
7. An employee who is laid off and does not elect to accept severance payment shall be entitled to receive:
 - i) coverage under the Company's Health and Dental Plan for a period of six (6) months from the date of commencement of layoff or until the commencement of alternate employment whichever occurs first; and
 - ii) reimbursement for tuition fees and other associated expenses up to a maximum of \$5000.00 upon production of receipts from an approved educational programme within 12 months of his/her layoff; and
 - iii) outplacement services; the Company will determine the level of service and the service provider.
8. Persons on the recall list will be recalled for vacancies contained in their OGL's which are posted as per Article 10 and 11.16 prior to the selection of candidates to whom they are senior.
9. People on recall will have the first priority on a seniority basis for temporary positions in their OGL arising at their location which were not filled by any displacements. Where such a temporary position also represents a recall opportunity for a regular seasonal, the position will be offered on seniority.

11.18 Limitations to Turnover

- (a) A maximum of 51 percent (51%) of employees in a classification in a worksite/centre may be displaced during one single application of Article 11. Where there is only one employee in the classification in the site/centre he/she may be displaced.

Subject to operating exigencies for the purposes of this item, all classifications of controller/dispatcher/trainees at a worksite/ workcentre will be deemed to be in equal classification.

- (b) The limitation to turnover (51%) will apply to all personnel within a classification within a worksite/centre regardless of assignment to day work or shift work.
- (c) Where employees displace to vacant positions such vacancies will not be counted as part of the percentages applied to limitation to turnover.

11.19 Wage Maintenance

When an employee displaces another employee and is reclassified to a lower-rated position, or when an employee is selected to a lower rated vacancy pursuant to 11.16 they will receive wage maintenance. His/her wage rate will be adjusted downward in accordance with the following:

- (i) Employees with two or more years' service will have their rate frozen for a period of three months at which time a two percent (2%) reduction in rate will take place. Subsequent reductions of two percent will take place annually thereafter until the maximum rate for the lower rated job is reached.
- (ii) Employees with less than two years' service will have their rate frozen for a period of three months, after which time their rate will be adjusted to the maximum rate for the new job.

11.20 Moving Expenses

Notwithstanding Part A, Item 23 the Company will not be required to pay the moving expenses of an employee householder who displaces another employee or is selected to a vacancy and as a result has a different regular work headquarters which is within reasonable commuting distance from his/her residence. Where an employee is entitled to receive moving expenses, the amount of expenses will be in accordance with Part A, Item 23. Such moves will be treated as Company-initiated moves.

Except as is provided for in 11.16, the Company will not be required to pay moving costs of an employee who is recalled from layoff.

ARTICLE 12 PURCHASED SERVICES AGREEMENT

12.0 Scope

This Article has been developed jointly in a spirit of co-operation and trust. It is intended to provide a joint approach to making good business decisions which involve the use of purchased services. Its application calls for these decisions to be made in the same spirit of co-operation and trust.

What follows is based upon the belief that there is a value and benefit to the employee, the co-operation and the customer if:

- There is a greater involvement by employees in the decision-making process.
- There is an improved understanding as to why purchased services are used.
- Employment security is enhanced by a productive, healthy, and cost effective organization.

- Union and Management work together and act responsibly, balancing the interests of the customer, the Company and the employee in decisions relating to the use of purchased services.

This is a way of deciding how work gets done. It is not intended to hinder getting work done.

12.1 Assignment Of Work

12.1.1 Philosophy

It is the Company's intent to use regular staff to perform most of its work of a continuing nature. Furthermore, the Company will strive to provide regular staff with stability of employment.

The parties agree that a consistent, managed and joint approach to the assignment of work within the Company is necessary to provide security for employees, a more effective, productive organization and an excellent product for the customer.

12.1.2 Principles

The following principles apply to the relationship between the Company and the Union and the work performed by Union members.

- (a) We will within the Company have all work conducted as effectively as possible.
- (b) We will measure the effectiveness of all work by its impact on staff, on the business and by its ultimate impact on our customers.
- (c) We will do most work of a continuing nature with Company employees.
- (d) We will determine when work is to be done by non-PWU members through a joint decision making process and the results of these decisions will be a joint responsibility.
- (e) We will ensure that the impact of these decisions on continuous employment is minimized.
- (f) We will use a team and consensus approach when making decisions and any issues arising will be resolved internally where possible.
- (g) We will consult and make timely decisions consistent with the need to get work done.
- (h) We will develop, implement and continue a joint process of communications and education.

- (i) We will achieve consistency through the use of these principles versus policy and procedure.

12.2 Decision Process (See Mid-Term Agreement MT-50-2 also)

12.2.1 Responsibility for Decisions

The persons who are responsible for applying the decision process are the Company representative with the appropriate decision authority and the Union representative designated by the Sector Vice President. It is recognized that a given decision may require the involvement of more than these two persons.

Subject to 12.2.6 and 12.3.2(c) below, decisions to use purchased services will be made on a consensus basis. Both parties must consider all relevant criteria with the mutual goal of selecting the most effective option.

The decision makers are responsible for making timely decisions and for the decision itself.

12.2.2 Opportunity

The parties recognize that work may be done more effectively internally or externally. Opportunities for the application of this Article to new or existing work can be initiated by Management and/or the Union. It is intended that joint discussion should commence as soon as possible and before detailed definition of the need to have new or existing work done by purchased services.

12.2.3 Definition of Need

The parties will consider what work must be done and why and include such dimensions as when it must commence and the duration of the work; the quantity of resources required; the quality of the results; the skills required and their availability internally and externally; and safety requirements.

12.2.4 Alternatives

The parties will consider such alternatives as, do the work internally; do part of the work internally and part externally; do the work externally and agree to acquire capability to do the work internally in future; or do the work externally.

12.2.5 Evaluation

The parties will evaluate the alternatives considering the impact on the customer, employees and the business. Such criteria as reliability of service to the customer, customer responsiveness, community impact, Company relations impact, job continuity, ability to perform work, degree of overtime required for the work, availability of resources, cost, timeliness, quality,

need for control over results, safety and impact on environment will be assessed.

The total effectiveness of the alternatives will be evaluated considering both the short and long-term impacts. In given situations, certain criteria may be given a greater or lesser degree of importance.

12.2.6 Establishment of Thresholds

The establishment of the threshold is designed to remove from the process on a case by case basis certain issues relating to purchased services. The threshold will operate in such a way as to allow flexibility in local decision making. Any decisions regarding what is below the threshold will be non-precedent setting.

If there is a dispute with the union on whether the proposed purchased service is permitted by the threshold and there is no consensus, and if it makes sense in the circumstances the dispute will be resolved before the purchased service occurs. Lack of agreement on obtaining an advance resolution will not preclude the work from being performed, neither will it preclude the matter from being resolved under the 12.2.7 process.

The guidelines to determine whether a purchased service is below the threshold are as follows:

- subject matter lacking in substance; or
- any consequences are relatively insignificant; or
- where the nature or consequences of the work which represents a purchased service is remote from work currently performed by the PWU on a continuing basis. For purposes of clarity, this does not mean geographically remote; or
- emergencies; or
- any work performed under a manufacturer's warranty, except where the manufacturer authorized the Company to do the work.

Except in the case of an emergency, failure by the Company to supply the Union with the following information by fax or as otherwise agreed will result in the work in question being deemed to be above threshold. (In the case of emergency such decisions to use purchased services will be subject to the same information requirements, review and dispute resolution as non-emergency cases).

The Company will notify the Union of the:

- Value of Work as reflected in Tender/Contract/Bid or Estimate Documents
- Scope of the Work
- Location of Work
- Estimated Date of Commencement and Duration of the Work

Except in the case of emergency, after receipt of the above information regarding the work the union shall have three (3) working days to request an opportunity to discuss the proposed purchased service, failing which the proposed purchased service will be deemed to be below threshold.

The parties will make themselves available for discussion within three (3) working days of the request for a discussion.

Upon request, once the work has been performed the Company will provide the Union with the details of the final contract costs.

- (a) Threshold grievances will be completed by the Chief Steward responsible for the PSA and presented to the line Management person responsible for the work in question.
- (b) Line Management must respond in writing to the grievance citing its position within 48 hours (as is required with all other grievances). Both parties should endeavour locally to complete a Record of Discussion form or an agreed statement of fact sheet.
- (c) The PWU office will assign a grievance number. Copies of the completed grievance and associated fact sheets or Records of Discussion forms should be sent to the PWU office and Labour Relations – Corporate Human Resources.
- (d) Grievances will be referred to Arbitration and scheduled through joint agreement between Labour Relations – Corporate Human Resources and the PWU office.
- (e) If it makes sense to do so, local discussions may take place with a view to resolving the threshold grievance up to the arbitration date.

12.2.7 Dispute Resolution Process

- (a) Mr. Teplitsky shall be appointed as Facilitator to assist the parties to resolve all issues of application and interpretation of this Article with the power and authority of an arbitrator under the *Ontario Labour Relations Act* but not subject to the Arbitrators' Act.
- (b) Any dispute between the parties relating to whether this Article applies to any decision to use purchased services or if a purchased service falls within the categories set out in 12.2.6 will be determined in an expedited manner by the facilitator whose decision shall be final and binding.
- (c) The Union will not be prejudiced in any subsequent case by a particular purchase of services. Similarly, the Company will not be prejudiced by any decision not to purchase services. This applies to all cases including threshold cases.

12.3 Joint Resolution Committee

12.3.1 Purpose

The purpose of this Joint Committee is to resolve disagreements, on a consensus basis in a timely and expeditious manner, as to whether proposed purchased services which are above threshold above may proceed. In its deliberations, the committee will consider the factors in items 12.0, 12.1 and 12.2.

Prior to a meeting of the Joint Committee, the Company will provide the Union with the following information related to the proposed PSA:

- copies of the Tender or Request for Proposal documents, if there are any;
- an accurate description of the work which is the subject of the proposed PSA;
- accurate details on bids e.g., price, scope of the work as set forth in the bid;
- a full cost benefit analysis including incremental costs but excluding overhead costs which would be incurred.

12.3.2 Membership

The membership of the Joint Committee shall be as follows:

- (a) The facilitator Mr. Teplitsky who shall act as Chairperson;
- (b) One Management and one union representative plus additional resources as required.
- (c) In the event of the parties not being able to reach a consensus decision the facilitator will have the power to make decisions. Mr. Teplitsky will have the authority to make such orders as he deems appropriate to give full affect to his decision(s) and to deal with any consequences his decision(s) might have in the workplace.
- (d) Where either party wishes to proceed with a Purchased Services discussion which is above threshold, the parties will endeavour to complete discussion within 10 days of notice to the union in the prescribed form and that full resolution, including review by the JRC, will occur within 30 days of notification.

12.4 Application of This Article

12.4.1 The parties will jointly develop and maintain an operating plan consistent with the provisions of this Article. Such plans will be approved by the appropriate Company official and the Power Workers' Union Vice President. Failure to jointly develop an

operating plan will not adversely affect either party's rights under the provisions of this Article.

These operational plans will include:

- An approach for the development and delivery of joint training of decision makers
- An identification of the type of contracts that are not subject to an in-depth review.
- A guideline for a time table on how often contracts of a recurring nature must be reviewed under this Article.
- A process for joint review of potential contracts which involve work normally performed by PWU represented employees and other stakeholders.
- A process and a time frame for decision making.
- An internal process for dispute resolution.

12.4.2 Management and Union representatives may choose to jointly review the application of their operating plan and determine the need for changes at any time over the life of this agreement.

12.4.3 Until March 31, **2015**, Article 13, Article 14, Mid-Term Agreement MT-12 Contracting Out, MT-21, MT-21 Appendix A, and Mid-Term Agreement MT-14 Future Agency Employees are suspended. Item 12.1 of this Article will apply to decisions regarding the use of agency employees.

ARTICLE 12 – APPENDIX A

The provisions in this Appendix and Article 12.3.2 (c) are to be applied to those situations where employees are given surplus status as a result of a joint or arbitrated decision to use purchased services to do the work normally performed by the affected employees. The definitions contained in Articles 10 and 11 will also apply to this Appendix.

1.0 Joint Employment Security Committee

The function of the Joint Employment Security Committee is to resolve disputes regarding the appropriate application of this Appendix.

The committee will consist of six regular members, three representing the Union and three representing the Company. Two additional members from each party may be added from a work unit affected by the surplus situation under consideration. Meetings may be called by either party.

In all disputes referred to the committee for settlement, the committee's decision will be final and binding on both parties.

In the event that the Joint Employment Security Committee is unable to resolve a dispute, it will be referred to Mr. Teplitsky. The intention of both

parties is to have a speedy resolution of the dispute. Verbal decisions which will be confirmed by a written decision will be acceptable and all decisions are final and binding on both parties.

2.0 Employment Security

The provisions of this Appendix will apply to a regular employee with two (2) or more years' seniority who becomes surplus from his/her position as a result of contracting out the work normally performed by that employee. The effect of decisions to use purchased services on PWU members will be minimized by accommodating required staff reductions wherever possible by attrition, transfer to other jobs or retraining. Redeployment/career counselling will be made available to affected staff when they are notified of their surplus status. Training and career options will be discussed and incorporated into the redeployment plan. Reasonable training and educational leave will be applied as appropriate. The provisions of this Article will not apply to regular-seasonal employees. The definitions contained in Articles 10 and 11 will also apply to this Appendix.

For the purposes of determining if the employee has sufficient seniority to qualify for this Appendix, his/her seniority will be counted up to the surplus date.

2.1 Surplus Identification

When a decision to contract out results in a surplus in a classification in any work site the least senior employee in that classification in the work site shall be identified as surplus. Such employees will be able to apply for vacancies as per Article 10.

2.1.2 If an employee with five (5) or more years seniority has not been selected to a vacancy within one (1) year after the surplus date, or an employee with two (2) years but less than five (5) years' seniority has not been selected to a vacancy within sixteen (16) weeks after the surplus date, he/she will be given displacement rights as contained in Article 11 and all other terms and conditions of Article 11 will apply. At this time all other provisions of Appendix A will cease to apply.

2.1.3 The one (1) year period for employees with five or more years' seniority and the sixteen week period for employees with two or more but less than five years' seniority is designed to allow employees not selected to vacancies to avail themselves of the retraining and reskilling opportunities outlined in 2.0 prior to any displacement as per Article 11.

2.2 Wage and Salary Treatment

2.2.1 Seniority – Five Years or More

The employee's grade and progression step shall be maintained and negotiated increases shall apply for one (1) year from the surplus date regardless of placement. If the employee accepts a vacancy in a lower-rated classification his/her dollar rate shall be frozen at the end of the one (1) year until the rate for the classification equals the employee's dollar rate, at which time the normal wage and salary treatment shall apply.

2.2.2 Seniority – Two Years – Less than Five Years

The employee's grade and progression step shall be maintained and negotiated increases shall apply for sixteen (16) weeks from the surplus date regardless of placement. If the employee accepts a vacancy in a lower-rated classification his/her dollar rate shall be frozen at the end of sixteen (16) weeks for a period of three (3) months at which time a four percent (4%) reduction in rate will take place. Subsequent reductions of four percent (4%) will take place annually thereafter until the maximum rate for the lower-rated job is reached.

2.3 General Conditions

2.3.1 Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with displacement or layoff, with joint agreement may be given special consideration for work site protection/preference.

Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

2.4 Moving Expenses

Prior to Article 11 applying, an employee who is identified as surplus as per this Appendix and is required to relocate his/her residence shall receive moving expenses in accordance with the provisions of Part A, Item 23. Such moves will be treated as Company-initiated moves.

ARTICLE 13
EMPLOYMENT SECURITY PLAN⁷

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- 13.0 – Purchased Services
- 13.1 – Employment Security
- 13.2 – Joint Employment Security Committee
- 13.3 – Application
- 13.4 – Selection
- 13.5 – Wage and Salary Treatment
- 13.6 – Displacements
- 13.7 – General Conditions

13.0 Purchased Services

During the term of this Collective Agreement, no regular employee will be declared surplus in his/her position as a result of the use of purchased services to perform the work normally performed by that employee.

13.1 Employment Security

Numerous factors may affect the nature and methods of accomplishing work. Changes in work patterns cannot be prevented but the effect of such changes on regular employees should be minimized as much as possible. The effect of such changes on PWU members will be minimized by accommodating required staff reductions wherever possible by attrition, transfer to other jobs or retraining rather than layoff.

The provisions of this Article will apply to a regular employee with five or more years' seniority who becomes surplus from his/her position as a result of contracting out the work normally performed by that employee. The provisions of this Article will not apply to regular-seasonal employees.

Employees who become surplus for reasons other than contracting out will be entitled to Article 11 as applicable.

The definitions contained in Articles 10 and 11 will also apply to this Article.

For the purpose of determining if the employee has sufficient seniority to qualify for Article 13, his/her seniority will be counted up to the surplus date.

⁷ This Article is suspended for the term of this agreement.

13.2 Joint Employment Security Committee

The function of the Joint Employment Security Committee is to resolve disputes regarding the appropriate application of Article 13 versus Article 11.

The committee will consist of six regular members, three representing the Union and three representing the Company. Two additional members from each party may be added from a work unit affected by the surplus situation under consideration. Meetings may be called by either party.

In all disputes referred to the committee for settlement, the committee's decision will be final and binding on both parties.

In the event that the Joint Employment Security Committee is unable to resolve a dispute, it will be referred to an expedited arbitration process. The intention of both parties is to have a speedy resolution of the dispute. A list of arbitrators will be agreed upon who are prepared to meet on short notice (within seven days) and to render a decision within 14 days. Verbal decisions will be acceptable and all decisions are final and binding on both parties.

13.3 Application

When a surplus is identified in a classification in any location, the least senior employee in the surplus classification in the location shall be declared surplus.

Employees will be notified, in writing, a minimum of three months in advance of their surplus date. A copy of the notice shall be sent to the PWU office and the Divisional Chairperson.

13.4 Selection

The following selection criteria apply to vacancies and placement opportunities in equal- and lower-rated classifications:

1. For non-supervisory vacancies, the senior qualified surplus regular employee applicant will be selected.
2. Placement opportunities will be filled from among the qualified surplus applicants so long as there are qualified surplus applicants. For selection to a placement opportunity in an equal classification (if the equal classifications have been determined at the time the application is made), the senior qualified surplus regular employee applicant will be selected.
3. Selections to supervisory positions will continue to be governed by Article 10.1.3A except when the vacancy is in the same

classification as the surplus employee in which case the senior surplus applicant shall be selected.

4. If a surplus applicant is selected to a vacancy he/she must render his/her decision within three working days of the offer being made. Failure to do so will be considered a rejection of the offer and will not affect his/her further treatment under this Article.

When there are no qualified surplus applicants, Management will assess the capability of the surplus applicants to become qualified in a reasonable period of time. Management will select from among those assessed to be qualifiable in a reasonable period of time.

Employees covered by this plan will be given surplus priority consideration from the date of notification until eleven months after the surplus date. The selection priority will be the same as detailed in Article 11.4.3 which are repeated here for ease of application.

The following applies for equal and lower rated vacancies.

Each category will be considered independently and in the order indicated.

1. Surplus employees represented by the PWU and surplus managerial services employees⁸.
2. Employees who were required to displace someone in a lower classification as a result of being surplus and who were previously in the classification that is now vacant.
3. Persons on the recall list whose occupational group contains the vacant classification.
4. As per Article 10.

13.5 Wage and Salary Treatment

The employee's grade and progression step shall be maintained and negotiated increases shall apply for one year from the surplus date or until the date the employee accepts a vacancy whichever comes first.

If the employee accepts a vacancy in a lower-rated classification, his/her dollar rate shall be frozen until the rate for the classification equals the employee's dollar rate, at which time the normal wage and salary treatment shall apply.

⁸ Managerial services employees in this context means employees paid from salary schedule 16 with the following exceptions: security guards, fire and safety inspectors, first aid attendants, and project medical attendants.

13.6 Displacement

If the employee has not been selected to a vacancy within one year after the surplus date he/she will be given displacement opportunities available in Article 11 and all other terms and conditions of Article 11 will apply, except for Article 11.4.

All other provisions of Article 13 will cease to apply.

NOTE

Employees of the construction field forces will not be entitled to the displacement opportunities of Article 11.

13.7 General Conditions

An employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension or an employee who is disabled to the extent that alternate employment will be difficult to obtain, may by agreement between the Company and the Union, be given special consideration when faced with displacement.

One year's additional seniority shall be allowed stewards and chief stewards for the determination of which employees are surplus within the electoral unit of the chief steward.

An employee who is assigned temporary duties or who accepts a vacancy will assume the working conditions of the position.

A surplus employee who is required to relocate his residence, shall receive moving expenses in accordance with the provisions of Part 'A', Section 23.0. Such moves will be treated as the Company initiated moves.

ARTICLE 14 EMPLOYMENT SECURITY AND WORK ASSIGNMENT⁹

14.0 It is the Company's intent to use regular staff to perform most of its work of a continuing nature. Furthermore, the Company will strive to provide regular staff with stability of employment.

The Working Paper on Staffing and Employment dated March 15, 1985 states Management's intentions with regard to continuity of employment for regular staff and proportions of work expected to be undertaken by regular staff. For at least the term of this Collective Agreement, the Company will not reduce the stated proportions of work to be done by regular staff.

⁹ This Article is suspended for the term of this agreement.

At the end of each six-month period commencing January 1987, the Company will prepare a statement showing the proportions of work done by regular staff and make this information available to the PWU.

It is understood that the Working Paper on Staffing and Employment, as distinct from the terms of the above provisions, does not form part of the Collective Agreement and is not subject to the grievance and arbitration process.

14.1 Work Assignment

1. It is understood that the assignment of work to purchased services does not convey a right to such work in the future, nor does it create any precedent with respect to future assignment of such work to purchased service employees by the employer.
2. It is agreed between the parties that no more than 450 of the Company tradespersons will be assigned by the Company at any one time under the EPSCA Maintenance Assist agreement to perform work for the Company. The Company agrees to inform the Union of the number of Company tradespersons assigned under the EPSCA Maintenance Assist agreement on a monthly basis.

ARTICLE 15 SUCCESSOR RIGHTS

The employer agrees that it will not directly or indirectly request government to exempt the Company or the Union from the successor rights provisions of the applicable labour relations legislation.

The successor rights provisions of the applicable labour relations statute shall be incorporated by reference into this Collective Agreement. No board of arbitration established pursuant to the grievance and arbitration provisions of this contract has jurisdiction to make any decision within the jurisdiction of the Labour Relations Board and nothing herein is intended to affect the jurisdiction of the Labour Board to resolve disputes related to the application of the provisions of the statute. For purposes of s.48 of the *Ontario Labour Relations Act* and s.57 of the *Canada Labour Code*, the Ontario Labour Relations Board or the Canada Labour Relations Board shall be deemed to be a Board of Arbitration for the resolution of disputes related to the interpretation, application, administration or alleged violation of this provision of the Collective Agreement. The remedial powers of the Labour Board shall be as set out in the relevant statutory provisions governing successor rights.

ARTICLE 16 DURATION OF THE AGREEMENT

This agreement shall come into effect as of the 1st day of April **2013**, and shall remain in effect until the 31st day of March **2015**, and thereafter from

year to year unless terminated by written notice given by one of the parties to the other within a period of not more than two months, but not less than one month prior to the anniversary date.

In the event that either party desires to amend the Agreement but not to terminate the same, either party may, by notice in writing not more than 90 days and not less than 30 days before the anniversary date, serve notice of the proposed amendments and both parties shall thereupon commence to negotiate in good faith with a view to arriving at an agreement on the proposed amendments and all provisions of the Agreement, other than those proposed to be amended, shall continue in full force and effect.

ARTICLE 17

TRANSFER OF EMPLOYEES ON CHANGE OF EMPLOYER

1. In this Article, transfer shall mean any sale, lease, transfer or any other transaction between Hydro One and the new employer, by virtue of which the control over any part of Hydro One's business or assets becomes held by the new employer and Hydro One employees become employees of the new employer.

Hydro One recognizes the importance of, securing for employees, opportunity for continuing employment with the new employer and will make all reasonable efforts to secure such opportunity for employees with the new employer.

2. Hydro One will provide the Power Workers' Union (PWU) with a listing of the positions and number to be transferred to the new employer 60 days prior to the new employer commencing operations (the "Affected Employees"). This listing will specifically identify any employees to be transferred who have previously transferred from an acquired municipal electric utility (MEU) to Hydro One and who have been provided with a period of employment protection, that is still active, as a result of such transfer. At the same time employees who are eligible to retire on or before the transfer date will be notified of their proposed transfer.

Prior to the new employer commencing operations as a result of the Agreement referred to in paragraph 1 herein, Hydro One will advise the Affected Employees of their transfer to the new employer. Any Affected Employees seeking to remain at Hydro One instead of transferring to the new employer shall be dealt with under paragraph 6 herein. Such Affected Employees must notify in writing the PWU and Hydro One within seven days of their notification of impending transfer.

3. Effective on the date Hydro One officially provides the PWU with the listing and number of affected positions referred to in 2 above:

- (a) Subject to paragraph 3(b) herein, an employee who successfully applies for a vacancy in the affected business shall thereafter exercise seniority rights within the affected business and will have no seniority rights enforceable outside the affected business notwithstanding any other provision of the Collective Agreement.
 - (b) Subject to paragraph 2 herein, employees in the affected business may apply for vacancies outside the affected business in accordance with the applicable provisions of the Collective Agreement up to 30 days prior to the scheduled date for closing of the Agreement referred to in paragraph 1 herein, but not thereafter, subject to paragraph 6 herein.
4. PWU represented employees transferred to the new employer who had applied to vacancies in Hydro One prior to the new employer commencing operations as a result of the Agreement referred to in paragraph 1 herein may exercise their rights to file failure to select grievances to those vacancies.
5. All PWU represented employees transferred to the new employer who are currently on rotation to a position within Hydro One will be allowed to complete the rotation subject to the agreement of Hydro One, the new employer and the employee. Such rotations shall be treated as secondments by Hydro One. All PWU Hydro One employees on a rotation in a position that is transferred to the new employer will be allowed to complete the rotation subject to the agreement of Hydro One, the new employer and the employee. Such rotations shall be treated as secondments by Hydro One. While on such rotations, all service credit, vacation, pension (employee to pay employee contribution), sick leave and seniority credits will continue to accrue within Hydro One.
6. If there is no agreement between Hydro One and the PWU on issues relating to employees who wish to decline continuing employment with the new employer, the issues will be submitted to an expedited mediation/arbitration process. Martin Teplitsky Q.C. will be the mediator/arbitrator for such purpose and any other matter relating to the interpretation or application of this agreement. The mediator/arbitrator will have complete and unfettered discretion to make any award which he considers fair and reasonable in all of the circumstances and his award shall be final and binding.
7. If Hydro One hires employees doing the same work in the same classification or a classification performing substantially the same duties as transferred employees within 24 months of their transfer then such transferred employees will be offered positions in the classification being hired by Hydro One (subject to the agreement

of their current employer) on a basis of seniority and without loss of seniority for their period of employment outside Hydro One.

8. An employee who is not afforded the opportunity for continuing employment by the new employer shall have full rights under Article 11.
9. The PWU agrees that no proceedings will be brought against Hydro One claiming Hydro One is a related or common employer with the new employer or any of the new employers related or subsidiary businesses so long as the relationship in the Agreement contemplated in paragraph 1 does not materially change.

Signed
Hydro One Inc.

Vice-President, Labour Relations

Signed
Power Workers' Union
Canadian Union of Public Employees – Local 1000

Witness as to signatures above written on this paper:

Sector Vice-President

duly appointed to execute this Agreement on behalf of the Union.

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GENERAL ITEMS

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PART A GENERAL ITEMS

1.0 EMPLOYEE CATEGORIES

All employees fall into one or the other of four principal categories as outlined below. For PWU 'hiring hall' categories refer to Appendix A.

1.1 Probationary

This category describes persons taken on strength on a probationary basis with the prospect, if their services are found satisfactory, of a change of category to Regular full-time or Regular part-time (Section 1.2, following).

1.2 Regular

Regular employees are those employees who, having satisfactorily met the job requirements, are judged medically fit by the Health and Safety Division for positions which are part of the continuing organization of the Company. They must have served the required time in a probationary category which is part of the Company's continuing organization, or in a temporary category which becomes part of the Company's continuing organization.

1.2.1 Regular Full-Time

Regular full-time employees work the regular hours of the classification into which they are hired.

1.2.2 Regular Part-Time

The establishment of a regular part-time position is a joint decision of local management and the chief steward made in a spirit of trust and cooperation. The parties will ensure that regular part-time positions are appropriately used to maintain corporate effectiveness, not to split a regular full-time position.

Regular part-time employees are regularly employed on an average of 24 hours or less per week calculated on a monthly basis. They are employed for a minimum of 16 hours per month. Regular part-time employees are treated as regular employees except where noted otherwise.

Pro-Ration Formula: The regular part-time employee benefit pro-ration formula is calculated based on the hours worked by the regular part-time employee expressed as a percentage of the normal scheduled number of hours for the classification. Where the number of regular part-time hours vary in a week it will be necessary to calculate this percentage over a jointly agreed upon extended period to get an accurate figure.

1.2.3 Regular – Job Share

Regular full time employees interested in job sharing arrangements shall find an appropriate partner from the same work location with similar skills and the same or lower terminal rates. These employees must establish an acceptable arrangement between themselves before approaching Management with the request.

Upon attaining agreement between Management and the employees, the job share arrangement will operate for a trial 6-month period. Following the 6-month trial period, the arrangement will:

(a) be considered a temporary arrangement and be extended by a maximum of six (6) months at which time the arrangement will end,

OR

(b) be considered a permanent job share arrangement. At this time the vacated position will be posted and filled in accordance with Article 10. In the case of the permanent job share arrangement, the incumbents are required to remain in their arrangement until one partner permanently leaves the job share. At that time, the other partner is required to assume responsibility for the full-time position on 30 days' notice.

Employees engaged in a job share work arrangement are regular part-time employees for the purposes of benefits administration. Employees in job share arrangements will revert to regular full-time status for the purposes of application of Article 10 and Article 11.

Service credit for time spent in job sharing arrangements will be calculated on a pro-rata basis.

1.3 Regular-Seasonal

Regular-seasonal employees are those judged medically fit by the Health and Safety Division for the position involved, who have attained one year's accumulative service, and who are steadily employed through the year, except for short-term layoffs.

1.4 Temporary

Temporary employees are hired to perform work that is expected to last for a short period of time or to perform work in place of a regular employee who is absent from his/her position.

For temporary full-time and temporary part-time employees, accumulated service shall mean the period of employment during which there has been no break in employment exceeding five months.

1.4.1 Temporary Full-Time

Temporary full-time employees work the regular hours of the classification into which they are hired and may be engaged for up to 12 months of accumulated service.

1.4.2 Temporary Part-Time

Temporary part-time employees are employed for a period of up to 12 accumulated months on an average of 24 hours or less per week (calculated on a monthly basis). Temporary part-time employees are treated as temporary employees except where noted otherwise. Benefits are pro-rated the same as regular part-time employees.

To ensure that temporary part-time employees are properly classified as temporary, an assessment is to be made as to the regular or temporary status of the position whenever the temporary part-time employee is employed for twelve continuous¹ calendar months. This assessment is subject to the grievance procedure.

This assessment is made based on the definition of a regular part-time position, i.e. the work is of a continuing nature with a minimum of 16 hours in a calendar month. If the position is determined to be temporary this will be conveyed to the Chief Steward (the employee should be given an end date and will remain temporary).

If the position is determined to be regular part-time, a joint discussion must take place as per the Regular Part-time provisions in the agreement prior to the position being posted. If the incumbent's employment exceeds 12 continuous months the incumbent will be given regular part-time status and the incumbent's seniority will be calculated on a pro-rated basis.

If as a result of the assessment above, the position is still temporary part-time at the 12 month accumulated service mark one of the following options must be selected:

- 1) the job is posted as a regular part-time. This decision is a joint decision as per regular part-time provisions in the agreement.
- 2) The Steward agrees to an extension of the temporary part-timer's service for a specific period and the employee retains temporary status.
- 3) The temporary part-timer is terminated.

Accumulated service applies to temporary employees. Such employees do not have either seniority or service credit.

¹ If an employee commences on January 20th and works any portion of a calendar month for 12 continuous months, they will have 12 continuous calendar months service on January 20th of the following year.

1.4.3 Benefits

The following are the benefit provisions that apply to temporary employees.

1.4.3.1 Vacations

Entitled to a cash vacation allowance of four percent (4%) of accumulated wages.

1.4.3.2 Statutory Holidays

Temporary employees will be entitled to statutory holiday pay provided that they have more than three months' accumulated service.

Temporary part-time employees will be entitled to statutory holiday pay provided that they:

1. Have more than three months' calendar service;
2. Have worked on at least 12 days during the four weeks immediately preceding the holiday;
3. Have worked on their scheduled regular day of work preceding and following the holiday.

Payment for such statutory holidays will be the amount the employee would normally earn on a scheduled day of work.

1.4.3.3 Floating Holidays

Temporary employees who have accumulated 20 weeks' service in a calendar year will be entitled to three floating holidays subject to the following:

1. Floating holidays may be taken on such days as the employee and his/her supervisor mutually agree upon, following reasonable advance notice on the part of the employee.
2. Floating holidays shall not be carried over into the following year unless work considerations prevent the employee from taking the floater(s) in the year of entitlement.
3. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her floating holiday(s) before year-end because of absence due to illness, unused floating holidays will be assigned on the last working day(s) of the year.
4. Where an employee falls sick on his/her scheduled floating holiday, that day will not be charged against his/her sick leave credits, but shall be treated as a floating holiday for pay purposes.

5. Entitlement on Termination: If the employee terminates after having accumulated 20 weeks' service in the calendar year, the Company will make a cash payment in lieu of any unused floating holiday credit.

If the employee terminates prior to accumulating 20 weeks' service in the calendar year, entitlement will be as follows:

- (a) If the employee has not qualified for entitlement in the previous year, he/she will have no entitlement in the current year. If he/she was granted a floating holiday under 4. above, the Company will recover one day's pay for each floating holiday taken.
- (b) If the employee has qualified for entitlement in the previous year, his/her entitlement will be prorated based on the number of weeks' accumulated service in the year of termination. For example, an employee who terminates after accumulating five weeks' service in the year would be entitled to 5/20ths of three days.

The Company will either make a cash payment in lieu of any unused floating holiday credit or recover the value of the unearned portion of floating holidays taken under 4. above.

In no case will an employee be entitled to more than three floating holidays or floating holiday credit in a calendar year.

6. Temporary part-time employees shall receive pro-rated payment. (Ref. Part A, Item 1.4.2)

1.4.3.4 Sick Leave Entitlement

Temporary employees shall earn sick leave credit of one-half day at 100 percent (100%) pay for each month of accumulated service to a maximum of six days².

1.4.3.5 Health Insurance Plan (Excluding Summer Students Regardless of Wage Schedule Paid From)

These employees shall be considered as a group in order that they may apply to participate in the Supplementary Plan and the Extended Health Benefit Plan at group rates. One hundred percent (100%) of all premiums will be paid by the employees. These employees will be required to make election on benefit coverage at the time of hire for the duration of employment.

² Day, in this instance, is the number of hours normally worked by a regular employee in a classification and/or the work group of which the temporary part-time employee is a member (seven or eight hours). Sick leave is used on the basis of payment for the number of hours the employee was off work.

The Company will pay one hundred percent (100%) of the Ontario Health Insurance Plan premium for temporary employees who have four months' accumulated service.

1.4.4 Notice of Termination

When the employment of a temporary employee is terminated for other than cause, he/she is entitled to one week's notice in writing if his/her period of employment is three months or more.

2.0 REGULAR STATUS

Appointments to regular status are contingent on satisfactorily meeting the Company's medical requirements.

1. Probationary employees must serve a minimum of three months on probation. If service is satisfactory, they may be accorded regular status at that time. A period of not more than three more months can be used as a further period of probation if it is needed. At the end of this further period, employees must either be made regular, transferred to another position or dismissed. Regular part-time probationary employees must serve up to six calendar months on probation.
2. Temporary employees engaged in work of a continuing nature, shall be afforded regular status upon attaining 12 months accumulated service. In such circumstances the employee's position will be considered to be a vacancy. If the former temporary employee is not selected to this vacancy he/she will be declared surplus in accordance with Article 11.
3. Temporary employees engaged in work which is not of a continuing nature, shall be afforded regular-seasonal status upon attaining 15 months' accumulated service.

3.0 ANNIVERSARY PROGRESSION

Progression dates shall be calculated from the date of appointment or promotion to the position. Subsequent salary adjustments shall be on anniversary dates except as otherwise specified on the appropriate wage schedule.

NOTE

- (a) The progression date for a regular part-time employee who works on average 50% or more of the base hours of the full time classification for the year will be at the completion of one and one third years of service.

- (b) The progression date for a regular part-time employee who works on average less than 50% of the base hours of the full time classification for the year will be at the completion of two years service.

As a regular practice employees shall automatically progress from minimum to maximum as indicated in the respective wage schedules subject to the following:

3.1 Withholding Progression (Unsatisfactory Performance)

If an employee fails to make satisfactory progress his/her progression may be withheld for a period of six months. (8 months for a regular part-time employee working 50% or more of the base hours; 12 months for regular part-time employee working less than 50% of the base hours.)

In taking this action the Company shall provide the employee with one month's notice and the reason for the withholding.

The performance of an employee whose progression has been withheld as above will be reviewed within seven months (nine months for a regular part-time employee working 50% or more of the base hours of the classification and fourteen months for regular part-time employee working less than 50% of the base hours of the classification). If progress and general performance are found to be satisfactory, progression shall be granted. If not, the employee shall be either transferred or dismissed.

If at the time of this review the employee's progress and general performance were found satisfactory and if six months after the review his/her performance has continued to be satisfactory, he/she may be granted the next step in his/her progression.

This will then re-establish his/her original progression status.

If an employee in a recognized hourly-rated training program has not reached the acceptable level of performance his/her progression may again be withheld in accordance with the above. Progression to the journey person or job rate will not be delayed by more than six months.

3.2 Deferral of Progression (Absences from Work)

When an employee has been absent from work for a period in excess of three months, excluding approved vacation, his/her progression may be deferred without prior notice for a period of time not to exceed the length of the absence. Subsequent progression dates may be adjusted accordingly.

3.3 Progressions for Part C Controller-Trainees and Dispatcher-Trainees

Advancement as a controller-trainee and dispatcher-trainee will be by controlled progression, based on satisfactory progress in training and study courses. On successful completion of training at the end of 36 months, controller-trainees will become Controller, Step 1. On successful completion of training at the end of 24 months, dispatcher-trainees will become Dispatcher Step 1.

4.0 RETROGRESSION POLICY

The term 'retrogression' is used to indicate a gradual reduction in pay to predetermined adjusted rate.

4.1 Where Applicable

1. Retrogression shall apply where a regular employee becomes unable to perform the duties of a job for which he/she is receiving the standard rate and is transferred to a lower-rated job because of:

- (a) A disability caused by accident or illness.
- (b) Inability to cope with increased responsibility due to change in job content.
- (c) Where the unsatisfactory performance is due to faulty selection and the employee has served in the position for a period of at least one year.

Any retrogression for medical reasons is subject to ratification by the Chief Physician/Manager Health Services.

2. Retrogression shall not apply where:

- (a) An employee has less than ten years' established service credit.
- (b) The change to the lower-rated job is made at the request of the employee to escape heavy work or responsibility or for personal reasons.
- (c) The change to the lower-rated job is made necessary for unsatisfactory job performance due to causes other than in Section 4.1(1).

NOTE

Where retrogression does not apply, the employee will receive the job rate for the new job effective at the time of transfer to the new job.

4.2 How Applied

The Company will endeavour to provide an employee to whom Section 4.1 (1) applies with work he/she is capable of performing. His/her rate of pay shall be calculated as follows:

1. A new rate for the employee will be calculated at the time the employee is retrogressed. This is calculated by adding to the base rate of the new classification an additional two and one-half percent (2.5%) (except as specified below) of the differential between the base for the new job and the base rate for the employee's former job for each year by which his/her continuous service exceeds ten years at the time of transfer. For regular part-time employees, the new rate is calculated on an hourly basis. For employees with 25 or more years of service, where the reason for retrogression is one of 4.1(1)(a) or (b), five percent (5%) is used in the calculation instead of two and one-half percent (2.5%).

The calculation determines the rate to which the employee's pay will be reduced.

2. The reduction in rate will take place in steps each amounting to but not exceeding approximately four percent (4%) of his/her former base rate. (Hourly rate for regular part-time employees.) The first step shall occur three months after he/she has been transferred to the new job. The subsequent steps shall occur at six-month intervals until the rate determined in 4.2(1.) has been reached.
3. Where the retrogressed employee is unable to do the job to which he/she has been retrogressed and demotion to another job is necessary, the rate for this new job shall be based on the differential between the base rate of the original job from which he/she has been retrogressed and the base rate of his/her new job.
4. While retrogression is in progress and after retrogression is completed, increases in pay that occur will be applied only to the base rate for the new job and the retrogressed employee will only receive a benefit when the base rate for the new job exceeds his/her adjusted rate.
5. It shall be the responsibility of each Human Resources Manager/Officer to advise the Union in writing when any employees are placed on retrogression. This information will be provided to the

Union as soon as possible but in any case before the reduction in rate specified in 4.2(2.) takes place.

4.3 Special Provisions

1. Retrogressed employees who are within 10 years of being eligible to retire without discount or who are within 15 years of normal retirement, shall have their rate frozen until the rate for the job being performed catches up to the frozen rate.
2. An employee with 20 years' service who is retrogressed for medical reasons related to the working conditions and job environment during a significant portion of his/her employment with the Company, will have his/her wages maintained until he/she is eligible for an undiscounted pension. The wage rate will be frozen thereafter.

The medical reasons will be reviewed and assessed by the LTD Review Committee.

3. If, in the opinion of the LTD Review Committee, an employee is retrogressed because of a serious injury that resulted from an on-the-job accident with the Company, he/she will have his/her wages maintained until he/she is eligible for an undiscounted pension. This provision will apply to all regular employees regardless of service.
4. An employee with ten years' service who is retrogressed because of a muscular-skeletal repetitive strain injury or injury arising therefrom, which is deemed compensable by the WSIB and relates to his/her working conditions with the Company will have his/her wages maintained until eligible for an undiscounted pension. The wage rate will be frozen thereafter.

The medical reasons will be reviewed and assessed by the LTD Review Committee.

4.4 Nothing in this regulation will override special commitments that have been made by the Company that in certain instances rates of pay will be maintained.

5.0 SERVICE CREDIT

5.1 Introduction

This item defines service credit and describes the basis for calculating service credit for all purposes except those of the Pension Plan which are covered in the Hydro One Inc. Pension Plan Rules.

The application of such service credit to vacations, LTD, sick leave and other benefits will continue to be governed by the appropriate instructions.

5.2 Service Credit Calculation

In most cases the service credit of a regular employee is that employee's seniority. The exception to this can be found in Article 10.1.2 where an employee who is appointed to a position within the PWU jurisdiction from a bargaining unit which restricts seniority to its own membership, has his/her seniority limited to service within the PWU bargaining unit.

Seniority applies to regular, regular-seasonal, and probationary employees only.

Temporary employees have accumulated service only.

Service credit will not be granted for absences without pay of greater than 15 days with the exception of:

1. Normal and Extended Pregnancy/Parental/Adoptive leave.
2. Elected Union officials absent on Union business.
3. Medical leave of absence.
4. Time off in lieu of overtime worked.

5.2.1 Regular Employees

Service credit shall be the period of employment with the Company and any service restored as per Part A, Item 5.3.

5.2.2 Temporary Full-Time and Part-Time Employees When Granted Regular Status

When temporary employees are granted regular or regular-seasonal status, service credit shall be granted for all previous full-time service and on a pro-rata basis for all part-time service.

5.3 Restoration of Service Credit

Regular employees who terminate and are re-employed to a continuing position shall have their service credit restored. Proof of past service must be provided by the employee in the first 60 days of re-employment unless the Company is capable of providing the proof within the first 60 days of re-employment. They shall not be required to serve a further probationary period. No service credit will be allowed for the period between termination and re-employment. Regular employees who were formerly employees of Ontario Hydro shall have their service credit restored as per Article 10.6.

Former regular employees who are rehired for temporary full-time or temporary part-time assignments will not be granted regular status upon rehire. Former regular-seasonal employees will retain regular-seasonal

status when rehired for a temporary assignment, within one year of their last termination date.

5.4 Restoration of Previous Service for Pregnancy Leave

Female employees of the Company or its predecessor, Ontario Hydro, who were granted pregnancy leave will be eligible for service credit as follows:

- (a) those employees who took normal pregnancy leaves will be eligible for service credit up to a maximum of 17 weeks.
- (b) those employees who took extended pregnancy leaves on or after April 1, 1977 will be eligible for service credit for the full duration.

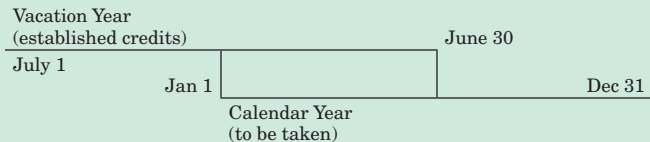
6.0 VACATIONS

6.1 General Policy

Whenever possible, vacations will be granted at dates requested by the employees, but in view of the Company's role in providing a vital service at all times, the Company reserves the right to determine the dates when vacations may be taken.

6.2 Relationship between Vacation Year and Calendar Year

For the purpose of calculating vacation allowances, the vacation year commences July 1 of the previous year and ends June 30 of the calendar year in which the vacation is to be taken.



6.3 Vacation Entitlement

Definition: The *Employment Standards Act* states that every employer shall give to each employee a vacation with pay of at least two weeks upon the completion of each 12 months of employment. The amount of pay for such vacation shall not be less than an amount equal to four percent (4%) of the wages of the employee in the 12 months of employment for which the vacation is given.

Wages are defined as any monetary remuneration payable by an employer to an employee under the terms of a contract of employment as well as any payment under the *Employment Standards Act* except vacation pay. Included in wages are termination pay, overtime pay, holiday pay, sick

pay, equal pay adjustments, shift differentials, premiums for weekend or holidays, on-call and standby.

Wages do not include vacation pay previously paid in the 12-month period, supplementary unemployment benefits, tips or other gratuities, gifts and bonuses that are dependent on the discretion of the employer and are not related to hours, production or efficiency. Also excluded are travelling allowances or expenses, contributions made by an employer to pension funds, unemployment insurance, death grants, disability plans, accident plans, sickness plans, medical plans, nursing plans or dental plans.

Where an employee receives a greater benefit for vacation or vacation pay, that benefit will prevail over the conditions set out in the *Employment Standards Act*.

The amount of pay for a vacation shall be not less than an amount equal to four percent (4%) of the accumulated wages of the employee in the 12 months of employment for which the vacation is given and in calculating wages no account shall be taken of any vacation pay previously paid.

Regular Employees

A regular employee shall be eligible for a vacation of:

Less than One Year's Service by June 30: One working day for each full month of service completed between June 30 of the previous year and July 1 of the current year up to a maximum of two weeks (10 working days).

The employee shall be paid four percent (4%) of the accumulated wages in the year for which the vacation is given.

For One Year and Less Than Three Years' Service: 10 working days (two weeks) annually. Vacation pay shall equal 10 days' base earnings or four percent (4%) of accumulated wages, whichever is greater.

For Three to Seven Years of Service: 15 working days (three weeks) annually when an employee has completed from three to seven years of service by the end of any calendar year. Vacation pay shall equal 15 days' base earnings or four percent (4%) of accumulated wages whichever is greater.

For Eight to Fifteen Years of Service: 20 working days (four weeks) annually when an employee has completed 8 to 15 years of service by the end of any calendar year. Vacation pay shall equal 20 days' base earnings.

For Sixteen to Twenty-Four Years of Service: 25 working days annually when an employee has completed 16 to 24 years of service by the end of a calendar year.

Vacation pay shall equal 25 days' base earnings.

In the year in which the employee is first eligible for 25 working days' vacation, he/she shall be granted it in one continuous period if he/she so requests.

NOTE

Employees hired on the first working day of January shall be deemed to have completed a calendar year on December 31 of the same year.

For Twenty-Five or More Years of Service: 30 working days' vacation in the calendar year in which he/she completes 25 years of service, and in each succeeding year.

Vacation Bonus

In the calendar year in which a regular employee completes:

- 26 years' service – 1 day's base pay
- 27 years' service – 2 days' base pay
- 28 years' service – 3 days' base pay
- 29 years' service – 4 days' base pay
- 30 years' service – 5 days' base pay
- 31 years' service – 6 days' base pay
- 32 years' service – 7 days' base pay
- 33 years' service – 8 days' base pay
- 34 years' service – 9 days' base pay
- 35 years' service – 10 days' base pay and beyond

The vacation bonus shall be calculated on the employee's base rate of pay as of July 1st of the year in which the bonus is payable. These bonuses are payable on the closest payday to July 1st of each year.

Regular Part-Time Employees

Regular part-time employees are eligible for paid vacation time off. The entitlement is based on calendar years of service and payment for time off is calculated on a pro-rata basis. (Ref. Part A, Item 1.2.2).

Probationary Employees

A probationary employee shall be entitled to a vacation of one working day for each full month of service completed between June 30 of the previous year and July 1 of the current year up to maximum of two weeks (10 working days).

Four percent (4%) of the total pay of the employee shall be paid in the year for which the vacation is given – whichever is greater.

Temporary Employees Made Regular

On attaining regular status, temporary employees will receive vacation entitlement for all service as defined in Part 'A', Item 5.2.2.

Temporary Employees

For less than one year's accumulated service: Entitled to a cash vacation allowance of four percent (4%) of all accumulated wages.

6.4 Special Provisions and Allowances

6.4.1 Deferment or Interruptions of Vacations

Reimbursement will be made for out-of-pocket expenses incurred by an employee who, at the request of the Company, either defers an approved vacation or returns before the vacation has expired.

When an employee is called back from vacation or when an employee's vacation is cancelled at the request of the Company, the employee shall receive premium rates of pay for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days.

NOTE

In the above cases, the deferred or interrupted vacation days are to be rescheduled at a later date subject to Sections 6.1 and 6.5.

6.4.2 Statutory Holidays and Vacations

If statutory holidays, to which an employee is entitled with pay, occur within his or her vacation period, the employee shall be granted an additional day's vacation for each in lieu thereof.

6.4.3 New Employees

An employee joining the staff between January 1 and June 30 and taking a vacation before July 1, shall receive only the days allowed for service to the date of commencing the vacation. Any remaining days credited for service between the vacation commencement date and June 30 shall be taken between July 1 and December 31.

An employee joining the staff between January 1 and June 30 and taking his vacation after July 1, shall receive only the days allowed for service to June 30.

If an employee joins the staff between July 1 and December 31, no vacation allowance can be used until after December 31.

6.4.4 Re-engaged Employees

An employee whose employment is terminated and who is re-engaged within 12 months of termination shall be granted a vacation allowance based on the employee's re-established service credit (see Part 'A', Section 5.0). However, the initial vacation allowance, while prorated on the same basis as above, must be taken as outlined in Section 6.4.3.

6.5 Postponed Vacations

6.5.1 With the exception of new employees as outlined in Section 6.4.3, vacations appropriate to the particular calendar year may be granted at any time but normally must be completed by the end of that year. Carry-over or postponement of vacations beyond the end of that year shall be in accordance with the following:

1. Where it is mutually agreeable, the employee may carry-over a maximum of one week's vacation to the following year (to be taken by April 30 of that following year). Request for carry-over must be made prior to September 1.
2. Under special extenuating circumstances (as identified in Subsections 6.4.1, 6.5.2 and 6.5.4), application for postponement or carry-over of more than one week's vacation may be made to the respective director, or official of equivalent rank, but the vacation must be completed by April 30 of the next year.

6.5.2 An employee who is on sick leave shall not be granted a vacation until judged fit to return to work. If still disabled when sick leave credits expire, however, the employee may be placed on earned vacation. With Directors approval an employee whose 100% sick leave credits have expired and who is unable to return to work on modified duties, may be paid vacation in full day increments (5 days maximum) to offset loss of income once per calendar year.

6.5.3 An employee who becomes ill while on vacation shall not be placed on sick leave until after termination of the vacation. Under exceptional circumstances in case of very serious illness, sick leave may be granted at the discretion of the Chief Physician/Manager Health Services. The employee would then be entitled to the unused portion of his/her vacation after recovery from the illness.

Minor illnesses and injuries may cause some degree of discomfort or disability to an employee while on vacation. Yet for the most part, these do not necessitate complete removal from the vacation setting or loss of the beneficial effects of the holiday. However, when an employee on vacation becomes seriously ill or injured and as a result must be removed from vacation setting entirely, he or she should be entitled to sick leave.

The decision as to when an illness or non-occupational injury is sufficiently severe to justify transfer from vacation to sick leave should be made on medical grounds and rests with the **Chief Physician/Manager Health Services**. Normally hospitalization or complete confinement to bed in the home under regular physician's care have been the criteria used to judge severity, often after consultation with the attending doctor. "Exceptional circumstances" may include a number of things such as hospitalization, the need to be flown home from a trip abroad, becoming seriously ill on the first day of vacation, etc.

The decision to transfer from vacation to sick leave must be based on reliable medical evidence and made by **the Chief Physician/Manager Health Services**. All cases of requests for such consideration should be referred to the **Chief Physician/Manager Health Services** without exception.

- 6.5.4** Where an employee is on sick leave or workers' compensation and thereby is unable to use his or her vacation credit during the current year such vacations may be carried over to the following year in accordance with Sections 6.1 and 6.5.1. Any outstanding vacation credit that has not been approved for carry over into the next year shall be paid out by Dec. 31 of the current year.

6.6 Vacation Payment on Termination

An employee whose service is terminated by the Company or by resignation shall be entitled to a cash payment in lieu of an outstanding vacation allowance, calculated proportionately from July 1 marking the beginning of the 12-month period in which the vacation entitlement applies. Upon the death of an employee, his or her estate shall be entitled to the same payment.

The payment will be based on:

1. Four percent (4%) of accumulated wages for an employee entitled to the prorated amount of 10 working days annually.

NOTE

In each of the following subsections, the minimum amount to be paid must be at least four percent (4%) of accumulated wages (see Definition, Subsection 6.3) of the employee in the year for which the vacation is earned.

2. Six percent (6%) of base earnings to date for an employee entitled to 15 working days annually.
3. Eight percent (8%) of base earnings to date for an employee entitled to 20 working days annually.

4. Ten percent (10%) of base earnings to date for an employee entitled to 25 working days annually.
5. Twelve percent (12%) of base earnings to date for an employee entitled to 30 working days annually.

The value of the vacation bonus will be based on the employee's base rate at the time of termination. The vacation bonus for the incomplete year of service is pro-rated for the number of completed months from the employee's ECD to the date the employee terminates.

Vacation allowance regulations for employees whose service is terminated owing to retirement on early, normal, disability or postponed pension are in accordance with the above.

6.7 Part C (Controller/Dispatcher and Trainee) Vacations

Vacations for controller/dispatchers will be governed by the following:

1. Subject to exceptions resulting from unforeseen or emergent conditions, arrangements will be made to provide vacations as under-noted:
 - (a) Fourteen consecutive days³ off within the period July 1 to December 31 (summer schedule) to all regular controller/dispatchers.
 - (b) If desired by the controller/dispatcher and he/she makes this known to the Company prior to the preparation of the master work schedule, 21 consecutive days³ off including three weekends within the period July 1 to December 31 (summer schedule) to all regular controllers/dispatchers who qualify for three or more weeks' vacation.
 - (c) Where mutually convenient to the Company and the employees, if individual controller/dispatchers so request, all or part of the vacation allowance may be taken outside the period July 1 to December 31.
 - (d) A request by an individual controller/dispatcher for an extension of his/her vacation period may be granted at the Company's discretion by interchanging his/her scheduled vacation days or unused vacation entitlement with days of work, providing qualified staff (controller/dispatcher/trainee) is available.
2. If it becomes necessary to cancel the additional extension as outlined in this item, the controller/dispatcher granted the

³ The consecutive days referred to would normally include other than vacation entitlement.

extension will be required to return to his/her original schedule without penalty to the Company.

3. If, in any instance and due to unforeseen circumstances, vacation schedules are adversely affected, the Company will use available relief so as to reduce the abnormal period to a minimum.

7.0 STATUTORY HOLIDAYS

7.1 Recognized

The days listed below will be recognized by the Company as statutory holidays, regardless of any conflict between these holidays and those declared as statutory holidays by municipal, provincial or federal statutes.

New Year's Day	Civic Holiday
Family Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Christmas Day
Victoria Day	Boxing Day
Canada Day	

When Canada Day falls on a Saturday or Sunday it shall be observed on the following Monday.

In the event that Boxing Day or New Year's Day falls on a Sunday, it shall be observed on Monday. Similarly, if Christmas Day falls on a Sunday, it shall be observed on Monday and Boxing Day on Tuesday.

When Christmas falls on Tuesday, Boxing Day shall be observed on Monday.

All regular and probationary employees shall be paid for statutory holidays.

A statutory holiday falling within an employee's vacation period shall not be counted as part of his/her vacation but shall be taken as an extra day of holiday.

Regular part-time employees will be entitled to statutory holiday pay provided that they:

1. Have more than three months' accumulated service;
2. Have worked on at least 12 days during the four weeks immediately preceding the holiday;
3. Have worked on their scheduled regular day of work preceding and following the holiday.

Payment for such statutory holidays will be the amount the employee would normally earn on a scheduled day of work.

7.2 Sick Leave Credits

If an employee is not scheduled to work on a statutory holiday and falls sick, his/her pay for that day will not be charged against his/her sick leave credits and he/she will receive payment at 100 percent (100%) of his/her normal daily base earnings.

If an employee is scheduled to work on a statutory holiday and falls sick, that day is treated as a normal sick day and the employee would receive a lieu day at a later date.

8.0 FLOATING HOLIDAYS

Regular, regular-seasonal and probationary employees who have accumulated 20 weeks' continuous service in any calendar year will be entitled to three floating holidays subject to the following:

1. Floating holidays may be taken on such days as the employee and his/her supervisor mutually agree upon, following reasonable advance notice on the part of the employee.
2. Floating holidays shall not be carried over into the following year unless work considerations prevent the employee from taking the floater(s) in the year of entitlement.
3. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her floating holiday(s) before year-end because of absence due to illness (except when exhausting sick leave prior to LTD) unused floating holidays will be assigned on the last working day(s) of the year.
4. Where an employee falls sick on his/her scheduled floating holiday, that day will not be charged against his/her sick leave credits, but shall be treated as a floating holiday for pay purposes.
5. Regular and probationary employees may take their floating holiday(s) before accumulating 20 weeks' service in a calendar year.
6. Regular part-time employees are entitled to three (3) floating holidays upon completing 20 weeks of service. Pay treatment for the three (3) days is on a pro-rata basis. (Ref. Part A, Item 1.2.2)
7. Entitlement on Termination: If the employee terminates after having accumulated 20 weeks' service in the calendar year, the Company will make a cash payment in lieu of any unused floating holiday credit.

If the employee terminates prior to accumulating 20 weeks' service in the calendar year, entitlement will be as follows:

- (a) If the employee has not qualified for entitlement in the previous year, he/she will have no entitlement in the current year. If he/she was granted a floating holiday under 5. above, the Company will recover one day's pay for each floating holiday taken.
- (b) If the employee has qualified for entitlement in the previous year, his/her entitlement will be prorated based on the number of weeks' accumulated service in the year of termination. For example, an employee who terminates after accumulating five weeks' service in the year would be entitled to 5/20ths of three days.

The Company will either make a cash payment in lieu of any unused floating holiday credit or recover the value of the unearned portion of floating holidays taken under 5. above.

In no case will an employee be entitled to more than three floating holidays or floating holiday credit in a calendar year.

9.0 SPECIAL TIME OFF

9.1 Additional Time Off at Christmas and New Year's Holidays

When Christmas falls on Friday and Boxing Day on Saturday, an additional half holiday will be granted employees on the preceding Thursday.

When Christmas falls on Saturday and Boxing Day on Monday, an additional half holiday will be granted employees on the preceding Friday.

When Christmas falls on Wednesday, the Friday following Boxing Day shall be granted as an additional holiday.

When New Year's Day falls on a Saturday, an additional holiday shall be granted on either the preceding Friday or the following Monday.

Those regular part-time employees whose regular scheduled day of work falls on the holidays referenced above shall be granted the time off and compensated at a rate equal to their normal daily earnings.

9.2 Payment for Time in 9.1

Eligible employees required to work during the days in 9.1 shall be paid as follows:

1. If employees are normally scheduled to work and are required to work on such a day, they shall be paid straight time for such work within normal scheduled hours and given equivalent time off with pay, up to a maximum of normal scheduled hours, within the following six months.

2. If employees are not normally scheduled to work on such a day and are required to work, they shall be paid at the rate normally paid for overtime work.
3. Eligible shift employees on a seven-day coverage basis whose normal scheduled day off falls at such designated time, shall be allowed equivalent time off with pay, within the following six months.

9.3 Treatment for Vacation

Special time off, as noted in 9.1, falling within eligible employees' vacation period shall not be counted as part of their vacation but shall be taken as additional time off.

9.4 Remembrance Day

This section was originally created to allow employees paid time off on Remembrance Day for those who served in the armed forces of Canada, Great Britain or their allies during World War II, the armed forces of the United Nations in Korea from 1950 to 1953, and the Allied Merchant Marine from 1939 to 1945.

Employees who can verify they have served in the Canadian Armed Forces, and those in the Reserve components of the Canadian Armed Forces, who have served in a foreign country, will be eligible for time off or payment if required to work.

9.5 Sick Leave Credit

When special time off, as noted in 9.1 occurs while eligible employees are on sick leave credit, their pay will not be charged against sick leave credits and they will receive 100% payment at their base rate for normal scheduled hours.

10.0 LEAVE OF ABSENCE

10.1 With Pay

Occasionally, an employee will be in a situation where there is no reasonable alternative to being absent from work for personal reasons. Sometimes the employee will, at the same time, be committed to considerable additional expense. Provision is made so that the Company may ameliorate the hardship to the employee which may result.

10.1.1 General

When in the Company's judgment the circumstances warrant such action, leave of absence with pay may be granted.

This leave is based upon reasons of personal emergency, such as severe illness in the immediate family which would necessitate remaining home until adequate arrangements could be made for outside help, or being in close attendance at a hospital. Also, in cases where an employee is faced with the effects of a severe storm, fire or flood.

10.1.2 Funerals

A regular employee may be released from duty for a period up to three days without reducing base earnings in the event of the death of a member of the immediate family including parent, parent-in-law, step-parent, brother, brother-in-law, step-brother, sister, sister-in-law, step-sister, husband, wife, son, son-in-law, step-son, daughter, daughter-in-law, step-daughter, grandparents, grandparents-in-law and grandchildren. In the event a regular employee is on approved vacation, the employee's vacation day may be transferred to funeral leave.

In the event of the death of a fellow employee, a regular employee may be allowed time off with pay to attend the funeral. Usually the time required is less than one-half day. Regular part-time employees shall be granted the time off with pay if scheduled to work.

NOTE

Section 10.1.2 is a guide applicable under ordinary circumstances, on the distinct understanding that it does not set rigid limits either maximum or minimum.

10.1.3 Annual Training for Reserve Forces

A regular employee who serves with the Reserve Force of the Canadian Armed Forces and can be spared from work may be granted leave of absence in order to attend annual training.

The employee will be paid the difference between the gross amount received from the Department of National Defence for the full training period and base earnings for the period of absence. The employee will be required to furnish his/her supervisor with a statement from the commanding officer of the reserve unit, showing the amount received from the Department of National Defence for the training period.

10.1.4 Legal Hearings

Base earnings will be maintained when an employee is called for jury duty or is subpoenaed to appear in court as a witness except in cases involving inter-union jurisdictional disputes.

10.2 Equivalent Time Off Without Pay

Employees who have worked overtime may be granted one hour off for each hour worked, without pay, in increments of not less than one-half day, provided the employee requests the time off and the workload permits.

10.3 Family Leave

Family leave of up to 5 unpaid days per year shall be granted when requested by the employee. This benefit will not be pyramided with any legislated benefits under the Employment Standards Act or other legislation.

11.0 PREGNANCY/ADOPTION/PARENTAL LEAVES

11.1 General Provisions

To be eligible, the employee must have worked for the Company for a period of at least 13 weeks preceding the estimated delivery date or have been employed by the Company for 13 weeks by the date on which the child comes into the custody, care and control of the parent for the first time.

These leave provisions are available to all categories of employees. In addition, regular employees including regular part-time employees eligible for pregnancy leave or adoption leave are entitled to supplementary unemployment benefits (Ref. 11.4).

Pregnant employees are entitled to pregnancy leave including those women whose pregnancies are terminated by still-birth or miscarriage within 17 weeks of the expected birth date (Ref. 11.2). Following the birth of the child, the employee is also eligible for parental leave. (Ref. 11.5).

Adoption leave is available to the parent who is designated as the primary caregiver (Ref. 11.3). Parental leave is also available to such an employee (Ref. 11.5).

Parental leave is also available to employees not eligible for pregnancy or adoption leave but who have become the parent of a child (e.g. an employee whose spouse has given birth to a child or the adoptive parent who is not the primary caregiver. Ref. 11.5).

Service credit will be granted for the full duration of such leaves.

Two weeks' notice is required for such a leave, except as noted in 11.2.2. The commencement date can be advanced or delayed upon the giving of a further two weeks notice. Similarly, the termination date can be advanced or delayed upon giving four weeks notice.

Eligibility for such leave does not necessarily mean the employee is entitled to EI benefits. However, EI benefits may be available in the case of such

a leave and employees should be referred to the nearest EI office to check their entitlement.

The Company will continue for the duration of any such leave to pay the same share of the premiums for OHIP, EHB, Dental Plan, Life Insurance and Pension Plan that it would normally pay for the employee. This will not apply with respect to any benefit plan where the employee is normally required to make an employee contribution and he/she has given the Company written notice that he/she does not intend to pay such contributions.

An employee going on such a leave may prepay his/her pension contributions prior to taking the leave or make up contributions on return to work to establish pensionable service for the period of absence. Prior to the leave, he/she must sign the appropriate forms indicating whether or not he/she wishes to prepay the pension plan contributions.

Positions temporarily vacated as a result of a pregnancy/adoption or parental leave will be filled on a temporary basis only until the employee on leave returns.

Provided the employee returns to work no later than the expiration of his/her leave entitlement, he/she will be offered:

- (a) The position most recently held if it still exists at a rate of pay not less than his/her wages at the commencement of the leave or if greater the wages that the employee would be earning had the employee worked throughout the leave.
- (b) Should the position most recently held not exist as a result of a surplus in the unit in accordance with Article 11 he/she will be offered a comparable position at the location he/she was previously working at a rate of pay not less than his/her wages at the commencement of the leave or if greater the wages that the employee would be earning had the employee worked throughout the leave.
- (c) Should (a) or (b) not exist he/she will be treated in accordance with Article 11.

The granting of extensions to the normal 90-day acting period for positions vacated by an employee on pregnancy/adoption/parental leave shall be automatic. The Union chief steward shall be advised of all cases where this subsection applies.

11.2 Pregnancy Leave – General

Prior to commencing pregnancy leave, the female employee must indicate in writing her desire to return to work following her pregnancy.

The *Ontario Human Rights Code* requires the employer to accommodate the needs of pregnant employees in the workplace, unless to do so would cause undue hardship to the business. If a pregnant employee is unable to work in her regular work location because of the possible radioactivity level, her normal base rate of pay will be maintained during the period of relocation.

11.2.1 Duration of Leave

An eligible female employee may apply for pregnancy leave, to commence after the 22nd week of pregnancy for a duration of up to 17 weeks.

The pregnancy leave of an employee who is not entitled to take parental leave ends on the later of the day that is seventeen weeks after the pregnancy leave began or the day that is six weeks after the birth, still-birth or miscarriage.

NOTE

Female employees who are the parent of a child are entitled to parental leave in addition to pregnancy leave. Parental leave is described in 11.5. Unless otherwise mutually agreed, parental leave must immediately follow the pregnancy leave unless the child has not come into the custody, care and control of the parent for the first time.

11.2.2 Physician's Certificate

When a female employee applies for pregnancy leave she must provide her supervisor with a certificate from her physician stating that she is pregnant and giving the estimated date of delivery at least two weeks prior to the date she plans to commence the leave.

In the case of a female employee who stops working prior to the commencement of her scheduled leave because of a birth, still-birth or miscarriage that happens earlier than the employee was expected to give birth, that employee must, within two weeks of stopping work, give her supervisor:

- (a) written notice of the date the pregnancy leave began or is to begin, and
- (b) a certificate from a legally qualified medical practitioner that states the date of the birth, still-birth or miscarriage and the date the employee was expected to give birth.

When a female employee resigns without notifying her supervisor that she is pregnant and she has not applied for pregnancy leave, but within two weeks following her resignation, provides her supervisor with a certificate from her physician stating she was unable to perform her job duties because

of a medical condition arising from her pregnancy and giving the estimated or actual delivery date, she shall be entitled to pregnancy leave if it is requested.

NOTE

The supervisor should obtain the advice and assistance of the Health and Safety Division if clarification is required.

11.2.3 Pregnancy and the Sick Leave Plan

Normal pregnancy leading to confinement is not an illness under the terms of the Sick Leave Plan. However, absences due to pregnancy-related illnesses or complications shall be considered as sick leave under the terms of the Sick Leave Plan.

11.3 Legal Adoptions – Primary Care-Giver

In cases of legal adoption where the child is raised in the home the following will apply after receipt of the child.

1. Where the child is less than elementary school age, the primary caregiver will be granted leave of up to 17 weeks.
2. Where the child is elementary school age or older and the primary caregiver requests leave, the duration will be based on the recommendation of the adoption agency with the final decision being made by the Company's Chief Physician.
3. The primary caregiver is also entitled to parental leave (Ref 11.5).

11.4 Benefits Under the Supplementary Unemployment Benefit Plan for Regular Employees

Provided they qualify for EI payments regular female employees who are eligible for pregnancy leave or the regular employee who is the parent designated as the primary caregiver in a legal adoption proceeding shall be paid a benefit in accordance with the Supplementary Unemployment Benefit Plan. In order to receive this benefit, the employee must provide the Company with proof that he/she has applied for and is eligible to receive unemployment insurance benefits pursuant to the *Employment Insurance Act*. The grant payment may only be paid upon receipt of proof that the employee is eligible for EI benefits. The simplest "proof of eligibility" is the counterfoil from the employee's first EI cheque.

According to the Supplementary Unemployment Benefit Plan payment will consist of:

1. Two weeks at 93 percent (93%) of the employee's base pay.

2. Up to fifteen additional weekly payments dependent on the length of his/her EI entitlement, equivalent to the difference between the unemployment insurance benefits the employee is eligible to receive and 93 percent (93%) of the employee's base pay.
3. In the case of a legal adoption, in addition to the Supplementary Unemployment Benefit Plan payments, the primary caregiver shall receive the equivalent of 93% of two weeks base salary in the thirteenth and fourteenth weeks of the leave.
4. Other earnings received by the employee will be considered so that the total combination of SUB, EI benefit and other earnings will not exceed 93 percent of the employee's base pay.

These payments will only be made if the employee signs an agreement with the Company, providing:

- (a) that he/she will return to work and remain in the Company's employ for a period of six months from the date of return to work;
- (b) that he/she will return to work on the date of the expiry of her pregnancy leave or his/her adoption leave, unless the employee is entitled to another leave provided for in this agreement;
- (c) that the employee recognizes that he/she is indebted to the Company for the payments received if he/she fails to return to work as per the provisions of subsections (a) and (b).

11.5 Parental Leave

11.5.1 General

Employees who have been employed by the Company (including service with Ontario Hydro) for a period of at least 13 weeks by the date on which the child is born or comes into the custody, care and control of the parent for the first time are eligible for an unpaid parental leave. A parent includes a person with whom a child is placed for adoption and a person who is in a relationship of some permanence with a parent of a child and who intends to treat the child as his or her own.

11.5.2 Duration of Leave

Employees eligible for parental leave may take this leave beginning not later than 52 weeks of the child being born or coming into care. Unless otherwise mutually agreed females on pregnancy leave wishing to take a parental leave must commence parental leave immediately following the end of the pregnancy leave unless the child has not come into custody, care and control of the parent for the first time. The duration of this leave is up to 35 weeks.

Employees who wish to take this leave must give the Company two weeks' notice in writing prior to the date the leave would begin and four weeks' notice of the date the leave will end if they wish to terminate the leave prior to 35 weeks following the date the leave commenced.

11.6 Service Credit

Employees who were granted pregnancy/adoption/parental leave from the Company or its predecessor, Ontario Hydro, on or after November 18, 1990 will be eligible for service credit for the full duration.

12.0 DISABILITY BENEFITS AND INCOME PROTECTION

12.1 Sick Leave Plan

The benefits of the Company's Sick Leave Plan shall be considered as part of this Agreement. However, it is recognized that its provisions are not an automatic right of an employee and the administration of this plan and all decisions regarding the appropriateness or degree of its application shall be vested solely in the Company.

When required by the employer, Major Medical Absence Reports and associated follow up reports shall be paid for by the employer up to \$40.00.

The Company's Sick Leave Plan will provide that probationary and regular employees will commence with a credit of eight days at 100 percent (100%) and 15 days at 75 percent (75%) pay, payable from the first day of sickness. This credit will continue to be available until the employee attains his/her first annual accumulation date as a regular employee. At the time of this accumulation date and each subsequent accumulation date he/she will acquire additional credits of eight days at 100 percent (100%) pay and 15 days at 75 percent (75%) pay. The accumulation of credits will be subject to the provisions of the Company's Sick Leave Plan.

Regular part-time employees shall receive a pro-rated number of sick days. When a regular part-time employee is absent due to illness on a scheduled day of work, they shall be paid for the hours of work scheduled for that day provided sick leave credits are available.

Normally employees will be expected to arrange routine medical or dental appointments during non-working hours. Where such appointments cannot be arranged during non-working hours and the employee can be released from his/her duties, then the time shall be charged against an employee's sick leave time.

Employees who are on sick leave for 30 days or more may be eligible to participate in a vocational rehabilitation programme in accordance with the Company's policy.

12.1.1 Medical Leave with Pay

Employees who are injured while commuting under Part A Item 20 to a temporary work headquarters which is 50 kilometers or less from their regular work headquarters, will be eligible for a Medical Leave of Absence with Pay provided they are deemed unable to work by the Chief Physician. The employee must apply for WSIB. This leave shall be paid at 75 percent (75%) of the employee's base rate once sick leave credits are exhausted. Sick leave plan rules apply. The medical leave shall be for a maximum of six months or when the employee is placed on LTD, whichever occurs first.

12.2 Long Term Disability

12.2.1 General Provisions of LTD Plan

The Long Term Disability (LTD) Plan provides financial security and rehabilitative employment features to regular employees during their absence from work due to extended sickness or injury. LTD benefits commence upon completion of the qualifying period which is defined below. Regular employees who are approved for the provisions of the LTD Plan will be subject to the following contractual provisions.

All employees who are in receipt of LTD benefits will be eligible to participate in the Rehabilitation and Re-employment Programme dependent upon their medical suitability and procedural requirements.

DEFINITIONS:

LTD Qualifying Period – The qualifying period is defined as the period six calendar months from the starting date of the employee's continuous absence due to disability; or a total of six months in accumulative authorized medical absences in the year prior to the date sick leave expires due to the same progressively deteriorating disability; or the expiration of sick leave whichever is longer.

Disability Period – The period in which an employee cannot continuously perform the essential duties of any position available in accordance with the priority placement criteria of the Rehabilitation and Re-Employment Procedure.

Benefit Level – The Company agrees to assume the full cost of an LTD Plan for all regular employees. The Plan would provide for a monthly income during the disability period equal to the lesser of:

1. Sixty-five percent (65%) of base earnings at the end of the qualifying period for LTD benefits, or
2. Seventy-five percent (75%) of base earnings at the end of the qualifying period for LTD benefits less any compensation awards from the Workplace Safety and Insurance Board (WSIB) (excluding

the Non-Economic Loss award) and/or the Canada Pension Plan, excluding benefits for dependents.

NOTE

Regular part-time employees shall be eligible for pro-rated income benefits.

Miscellaneous Provisions – A person who runs out of sick leave credits will be granted a leave of absence without pay until such time as the LTD qualifying period elapses. The employee will continue to receive service credit during this period and have coverage maintained in but will not be required to contribute to the Company’s Pension Plan, Health and Dental benefits, and the Company’s Group Life Insurance Plan.

Where an employee has been retrogressed to a lower-rated job for medical reasons and within two years (not including the LTD qualifying period) begins receiving a monthly income under the LTD Plan for reasons directly related to the original medical condition, the base earnings used to compute the LTD monthly income payment shall be the current rate of the employee’s original classification.

Exceptions and Limitations to the LTD Plan

LTD benefits will not be made available for claims resulting from:

1. A disability for which the person is not under continuing medical supervision and treatment considered satisfactory by the Insurance Carrier and the Company.
2. A disability caused by intentional self-inflicted injuries or illness while sane.
3. A disability from bodily injury resulting directly or indirectly from insurrection, war, service in the armed forces of any country, or participation in a riot.
4. Normal pregnancy leading to confinement.
5. Disability from occupational injuries for which the employee is receiving Loss of Earning (“LOE”) award from the Workplace Safety & Insurance Board for the first 24 months of payment due to total disability.

No amount of LTD benefit will be payable with respect to the disability of an employee during any of the following periods:

1. If the disability is due to mental disorder, any period while the employee is not under the continuing care of a certified psychiatrist or other care authorized by the employee’s psychiatrist.

2. If the disability is due to substance abuse, alcoholism and/or drug addiction any period in which the employee is not certified as being actively supervised by and receiving continuing treatment from a rehabilitation centre or a provincially designated institution.
3. The period during which the employee is on leave of absence, including Pregnancy Leave of Absence. The LTD qualify period begins on the date the employee is expected to return to work from that leave of absence.

12.2.2 Benefits While on LTD

1. **Service Credit:** Service credit shall not continue while the employee is in receipt of LTD benefits. Upon return to work, service credit shall be applied as per Item 12.2.4.
2. **Vacation Credit:** Any outstanding vacation entitlement for a person going on LTD will be paid in cash upon expiry of sick leave. The cash payment will be calculated on the base earnings at the expiration of sick leave for the prorated days of vacation entitlement, any outstanding lieu days, any outstanding floating statutory holidays, and banked time for 40-hour per week employees. No vacation entitlement, floating holidays, or banked time for 40-hour per week employees accrues while a member is in receipt of LTD benefits.
3. **Vacation Credit During Rehabilitation Employment:** Vacation credits will be earned based on the hours worked and the employee's vacation entitlement multiplied by the corresponding percentage listed below. These credits will be paid in cash in the last pay period of the year if not used by December 31, or upon return to regular employment, or upon termination.

Vacation Entitlement (Based on Service Credit)	Percentage of Accumulated Earnings/Hours Worked
10 working days or less annually	4%
15 working days annually	6%
20 working days annually	8%
25 working days annually	10%
30 working days annually	12%

4. The Company health and dental coverage premiums continue to be maintained by the Company.

5. **The Company Pension Plan:** The employee's membership in the plan continues. Upon expiry of sick leave, the requirement for employee contributions is waived. An employee is not required to make contributions to the plan while he/she is receiving LTD benefits. The retirement pension continues to accumulate. Years of service continue to accumulate for entitlement to rights and benefits under the Pension Plan.
6. **The Company Group Life Insurance Plan:** Commencing the first day of the month following the end of the qualifying period for LTD benefits, an employee will continue receiving the same insurance option during receipt of LTD benefits as that in force prior to such receipt. An employee who is in receipt of LTD benefits is not required to make contributions to the Group Life Insurance plan.
7. **Sick Leave Entitlement:** Upon receipt of the memorandum from the Chief Physician recommending that the employee should make application for LTD benefits, entitlement to accumulate or restore sick leave credits shall cease on the day following the next accumulation date provided that it falls within the qualifying period.
8. **Union Dues:** Upon expiry of sick leave an employee's Union dues shall cease.
9. Employee status will continue with respect to maintaining redress rights to contractual provisions.

12.2.3 Recurring Disability After Return to Regular Work

If, on return to regular employment after receiving disability benefits, a subsequent period of disability recurs within six months and is related to the cause of the previous disability, the following shall apply:

Entitlement to existing sick leave credits shall cease, the qualifying period shall be waived, and the employee shall immediately receive LTD benefits as if there had been no return to work.

12.2.4 Individual Returns to Regular Employment

1. **Service Credit:** Continuous service recommences upon return to work and service credit accumulated prior to the date of receipt of LTD benefits will be added to it. In addition, for employees returning to regular employment within the first two years in receipt of LTD benefits, full service credit will be granted for that period as well. It should be noted that seniority for all employees in receipt of LTD benefits continues to accrue during the period they are in receipt of LTD benefits.

2. **Vacation Credit:** The employee will start earning vacation credit based on total service credit.
3. **The Company Health and Dental Coverage:** Premiums continue to be maintained by the Company.
4. **The Company Pension Plan:** Employee contributions recommence.
5. **The Company Group Life Insurance Plan:** Employee contributions recommence.
6. **Sick Leave Entitlement:** Eight days at 100 percent (100%) and 15 days at 75 percent (75%) pay shall be immediately credited. On the first accumulation date, restoration of sick leave credits will take place based on the total service credit. It is recognized that this provision is subject to the provisions of recurring disability as defined in Section 12.2.3.
7. **Union Dues:** Union dues recommence.

12.2.5 Termination of LTD Benefits

The LTD benefit ceases when any of the following events occur:

1. The date the individual ceases to be totally disabled or engages in any occupation for wage or profit except as permitted by the Rehabilitative Employment Clause.
2. The date the individual reaches age 65.
3. The date the individual fails unreasonably to furnish proof of the continuance of such total disability, or fails to submit to an examination requested by the Plan's medical advisors. At that point all LTD benefits will cease and the employee will be terminated.

When an employee does not comply with the above requirements the Union will be informed and act as the employee's advocate prior to such termination.

4. The date the individual dies.
5. The date the individual receives pension under the Company Pension Plan.

12.2.6 Indexation

1. **LTD Benefits:** Individuals who are in receipt of LTD benefits will have their LTD benefit level indexed by the same amount that pensions are indexed.
2. **Pension Calculation – Base Earnings:** For the purposes of calculating the pension benefit for LTD recipients the base earnings at the end of the qualifying period will be increased by the amount of the indexation increase granted in 1. above.
3. **Insurance Benefit – Base Earnings:** It is agreed that for purposes of calculating the group life insurance benefit for LTD recipients, the base earnings at the end of the qualifying period will be increased by the amount of the indexation increase granted in 1. above.

12.3 Rehabilitation and Re-employment

Rehabilitative employment is an important feature of the Plan which provides an employee with additional financial incentive and assistance to re-enter the work force. It is defined as any employment within the Company and remains in effect until the employee is offered regular employment.

If during the disability period, an employee becomes capable of working, the Company shall endeavour to provide an (disabled) employee with work he/she is capable of performing. It is recognized that an employee must be prepared to attempt rehabilitative employment. In the event the employee refuses reasonable rehabilitative or regular employment, he/she shall be terminated and forfeit all rights to LTD benefits.

During rehabilitative employment, remuneration will be prorated based on the hours worked and the hourly rate of the current base rate of the rehabilitative position. Employees will continue to receive approved LTD/ Sick Leave benefits, however, the benefit level will be adjusted so that the total of the rehabilitative earnings and these benefits shall not exceed the current base rate of the position occupied prior to disablement.

After the employee has successfully completed his/her rehabilitative employment and has been placed in a regular job on a continuing capacity, he/she will be paid at the normal rate of the job in which he/she has been placed, subject to any applicable retrogression policy.

12.4 Workplace Safety and Insurance Board Payments

The *Workplace Safety and Insurance Board* (WSIB) is responsible for administering the Workplace Safety and Insurance Act, and payments will be made according to the provisions set out within that Act. Any future legislative or regulatory changes may necessitate further discussion on the part of both parties.

Pending the decision of the WSIB regarding entitlement to awards, an employee's normal earnings will be maintained at his/her current level of sick leave (i.e. 100%, 75%, 0%).

12.5 Supplementary Grant

12.5.1 Definition of Supplementary Grant

The supplementary grant is an amount equal to the difference between the WSIB award and the employee's normal earnings after income tax deductions.

NOTE

WSIB award for this section excludes permanent impairment awards granted for accident dates prior to January 1, 1990, Non-Economic Loss Awards or Older Worker Supplements.

The employee's earnings for the purpose of calculating the supplementary grant will include only regular scheduled hours for a normal week.

The supplementary grant will be such an amount as to maintain the employee's normal net pay.

NOTE

Such a grant will not include payments for shift bonus, relief pay, overtime or premium hours or other payments which are not applicable when the employee is absent from and not available for work.

12.5.2 Who Receives the Supplementary Grant

The supplementary grant will be made only to probationary and regular employees.

Employees who are receiving *Workplace Safety and Insurance Board* benefits for claims or injuries suffered while in the employ of an employer other than the Company are required to notify the Company of being in receipt of those benefits in order to qualify for the supplementary grant. These employees will not be eligible for sick leave while receiving *Workplace Safety and Insurance Board* benefits that qualify for the supplementary grant.

12.5.3 Responsibility for Payment

The responsibility for payment will be in accordance with The Standard Authorities – Payroll Documents.

12.5.4 Withholding the Grant

The award of the supplementary grant should not be withheld unless there is strong evidence of gross negligence or obvious misconduct on the part of the injured employee. The supplementary grant will be withheld if the employee is not co-operating in the Early and Safe Return to Work Process or a WSIB Work Reintegration Plan or refuses a medically suitable position.

Authority for withholding the grant is vested in Vice President(s), Directors, Superintendents, in consultation with Human Resources, Labour Relations and the Manager of Health Services & Rehabilitation.

12.5.5 Payment While in Receipt of WSIB Award

An employee in receipt of Total Temporary Disability (TTD) benefits will receive the supplementary grant for the entire period. Upon notification of the amount of the FEL award and/or LOE award the Company agrees to pay supplementary grant monthly on the FEL award and/or Loss of Earning (LOE) award for a maximum of 24 months. Any workers' compensation payments in excess of the FEL award and/or LOE award, excluding the Non-Economic Loss (NEL) award, shall be considered part of the FEL award and/or LOE award for purposes of calculating the supplementary grant. Upon request, the employee shall be paid out any outstanding vacation entitlement while payments are being processed.

For employees on rehabilitative employment the total compensation of FEL and/or WSIB Award plus rehabilitative earnings plus the Company supplementary grant shall not exceed 100% of the current rate of the pre-disability job.

If after 24 months in receipt of supplementary grant and a FEL award and/or LOE award the employee is still unable to return to work, he/she shall be placed on sick leave. The employee will continue to draw from his/her sick leave bank on a daily basis at the rate of half a day if the amount equal to the supplementary grant is equal to, or less than 4 hours, and a full day if the amount equal to the supplementary grant is greater than 4 hours per day. While on approved sick leave, however, the benefit level will be adjusted so that the total of any WSIB award and the sick leave benefit shall not exceed the employee's current base rate. Upon expiry of sick leave, if the employee is still unable to return to work, he/she shall qualify for LTD less any award, pension entitlement and/or any supplement from the Workplace Safety and Insurance Board (excluding NEL award) and/or the Canada Pension Plan.

12.6 Waiver of Posting or Selection

If at any time an individual who is in receipt of LTD or *Workplace Safety and Insurance Board* benefits is capable of returning to any further service with the Company or if a medically suitable position becomes available for an employee who is medically restricted while at work or on sick leave,

the Company will request, and the Union shall normally grant a waiver of posting or selection after considering all medically restricted employees eligible under the Rehabilitation and Re-Employment Policy.

13.0 HEALTH INSURANCE PLANS

13.1 Regular Employees, Pensioners and Regular Employees Receiving Workplace Safety and Insurance Board Payments

Subject to the condition that employees enroll their spouse and dependent children, the Company agrees to pay 100 percent (100%) of the premiums for:

Exception: Regular part-time employees shall be eligible for Health Insurance Plan coverage. Such employees will be required to pay costs of premiums (except OHIP) based on hours not worked divided by the regular hours of the classification. If he/she elects not to pay, coverage will not be provided.

1. OHIP – Covers medical and standard ward hospital services.
2. Supplementary Plan – Covers semi-private hospital services.
3. Extended Health Benefit Plan – Coverage details are contained in the current brochure entitled “Extended Health Benefits for Hydro One Inc.”
4. Group Dental Insurance Plan – Coverage details are contained in the current brochure entitled “Supplemental Group Dental Benefits for Hydro One Inc. “

An employee may voluntarily discontinue coverage in plans 2., 3. and 4. Upon reentry, and depending upon the terms of each plan, a waiting period must be satisfied before services will be covered. This would not apply to changes relating to marital/dependents status.

Effective January 1 of each year of the collective agreement, dentist fees will be paid up to the amounts shown in the current ODA Fee Guide.

13.2 Probationary Employees

The Company will pay 100 percent (100%) of all claims and fees for all probationary and regular employees who are covered by the Semi-Private Hospital Accommodation Plan, Extended Health Benefits Plan and Dental Plan. Coverage will commence on the employee’s Established Commencement Date and will cease on the employee’s termination date.

The Company will pay 100 percent (100%) of OHIP premiums commencing the second month of employment.

14.0 PENSION AND INSURANCE

NOTE:

As a result of Re-Opener Negotiations and the subsequent Teplitsky Award dated June 15, 1998 and 2000 Negotiations, several revisions were made to the Ontario Hydro Pension Plan which were incorporated in the Hydro One Inc. Pension Plan.

The changes include:

Notional Account

In consideration for the Rule of 82, changes to indexing, and changes to survivor benefits each as described below, the Notional Account will be eliminated in respect of all members, former members and beneficiaries of the plan and the elimination shall be confirmed by the obtaining of all necessary orders (including an order varying the order of Mr. Justice Trainor dated November 4, 1991).

The union will take, on an expeditious basis, all steps as may be required in order to obtain the necessary orders and will support Hydro in any steps Hydro may be required to take. Each party shall bear its own costs.

Rule of 82

Effective July 1, 2000, any member who on the date of retirement is represented by the Power Workers Union may, on or after the first day of the month in which the sum of the member's age in years and years of continuous employment is equal to or greater than eighty two, receive a pension that is 100 percent of the member's earned pension computed in accordance with the rules of the pension plan, in particular, rule 6.

Indexing

Effective on the date the Notional Account is eliminated, the plan shall be amended, in respect of members and former members who immediately prior to termination of employment were members of the union, to increase pension benefits on January 1 of each year by 100 percent of the increase in the Consumer Price Index, up to a maximum of 8 percent per year. In the event that the increase in the CPI exceeds 8 percent, the increase shall be carried forward to future years. In the event that the CPI decreases, the percentage decrease shall be applied in determining subsequent increases in pension benefits. A decrease in the CPI shall not reduce pension benefits in payment.

Changes to indexing as described in this section are subject to the condition precedent that the Notional Account will be eliminated for all members and former members and confirmation thereof by order as set out above.

In the absence of such an amendment and elimination of the Notional Account, the pensions of members and former members who immediately prior to termination of employment were members of the union will be increased by 100 percent of the increase in the CPI effective January 1, 1999 and January 1, 2000 and the cost of such indexing shall be charged to the Notional Account in the same way as was done in respect of the increase on January 1, 1998.

Survivor Benefits

Effective July 1, 2000, pensions of survivors of members or former members who on the date their employment ceased were members of the union shall be based on 66 and 2/3 percent of the member's pension rather than 64 percent of the member's pension.

Contribution Holidays

The parties agree that they will jointly approach the Government of Ontario to amend the *Power Corporation Act* to permit the Corporation to take contribution holidays from April 1, 1998 to the earlier of the date the collective agreement expires or the date subsection 22(4) of the *Power Corporation Act* is repealed.

14.1 Changes to the Pension Plan

14.1.1 The present Hydro One Inc. Plan forms part of this Collective Agreement. The pension portion of the Plan is generally described in the current brochure "Your Hydro Pension Plan". Changes to the plan affecting employees within the jurisdiction of the Union shall be subject to the following:

1. Subject to 2, Hydro One Inc. shall not make rules which would change employee benefits unless upon mutual consent.
2. In the event of the enactment of any general pension legislation applicable to the employees of Hydro One Inc., amongst others, Hydro One Inc. may, after notification to the Union, effect amendment of the Hydro One Inc. Plan provided that the combination of benefits resulting from the Hydro One Inc. Plan as so amended and such legislation will not be less in the aggregate than the benefits now provided.

14.1.2 Pension items will be submitted at the time that regular amendments to the Collective Agreement are submitted and will be negotiated at the time of regular bargaining.

14.2 Pension Plan

14.2.1 The interest rate on contributions returned to terminated employees will be calculated as set out in the Hydro One Inc. Pension Plan.

14.2.2 Integration with Other Benefits: Pension disability to be discontinued upon implementation of LTD Plan. Those presently on pension disability to continue under the existing provisions.

14.2.3 In recognition of proposed benefit improvements the Union agrees that the value of any EI rebate shall accrue to Hydro One Inc.

14.2.4 Early Retirement – Without Discount

1. Effective January 1, 1981 employees with the following age/service combinations may retire early with no loss of accrued benefits:
 - Age 60 or over with 25 years’ service.
 - Age 59 or over with 26 years’ service.
 - Age 58 or over with 27 years’ service.
 - Age 57 or over with 28 years’ service.
2. Employees may retire without discount when their age and years of continuous service equals 82 or more.
3. Employees who do not qualify for an unreduced early retirement pension under 14.2.4(1.) or 14.2.4(2.) may retire without discount after completing 35 years of continuous service.

Early Retirement Discounts

Table 1		Table 2		Table 3	
All employees with 25 or more years' continuous service (except females hired prior to 1976)		All employees with 15 or more but less than 25 years' continuous service (except females hired prior to 1976)		Female employees hired prior to 1976 with 15 or more years' continuous service	
Age	Percent Discount	Age	Percent Discount	Age	Percent Discount
55	15	55	25	50	25
56	12	56	22	51	22
57	9	57	19	52	19
58	6	58	16	53	16
59	3	59	13	54	13
60	0	60	10	55	10
61	0	61	8	56	8
62	0	62	6	57	6
63	0	63	4	58	4
64	0	64	2	59	2
65	Normal Retirement	65	Normal Retirement	60-65	Normal Retirement

NOTE

The above factors apply to employees who do not otherwise qualify for undiscounted early retirement pension.

14.2.5 Early Retirement - With Discount

1. The early retirement discount factors shown in Table 1 are for employees with 25 or more years' continuous service (except females hired before 1976) who do not qualify for undiscounted early retirement pension.
2. All employees who terminate and vest their pension will be entitled to the same early retirement discount as set out under 1.

above provided they had completed 25 years' continuous service by the date of their termination.

3. The early retirement discount factors shown in Table 2 apply to all employees who have 15 or more but less than 25 years' continuous service, except females hired before 1976.
4. The early retirement discount factors shown in Table 3 apply to all female employees hired before 1976 who have 15 or more years' continuous service and do not qualify for an undiscounted pension.

14.2.6 Transfer of Pension Credits Between Reciprocal Employers and Hydro One Inc.

Providing the reciprocal employers agree, the pension credits may be transferred to and from the reciprocal employer and Hydro One Inc. if the affected employees have fully vested their pension credits with the former employer and were hired by Hydro One Inc./reciprocal employer within three months of the termination date. This provision allows retroactive application.

14.3 Group Life Insurance

The present Life Insurance Plan of Hydro One Inc. forms part of this Collective Agreement.

14.3.1 At the time permanent wage adjustments to base annual earnings (as defined in the insurance plan) are implemented, adjustments will also be made in insurance coverage as follows:

1. If the change is effective on or between the first calendar and the first fiscal day of the month, eligibility is established for the given month.
2. If the change is effective on any other day of the month, eligibility is established for the next month.

14.3.2 Life insurance coverage of \$20,000.00 will be provided for employees who are required to work or travel in helicopters or aircraft. This coverage shall be in addition to the Group Life Insurance Plan.

14.3.3 Additional Employee, Spousal and Dependent Life Insurance

Effective July 1, 1994, eligibility under the Spousal Life Insurance Program in place as of April 1, 1994 will be extended to PWU represented employees. Effective July 1, 2001, eligible dependents will be eligible for life insurance coverage on the same basis as the Spousal Life Insurance Program at no cost to the Company.

At no cost to the employer, effective July 1, 2002, employees will have the option of purchasing additional term insurance in blocks of \$10,000 to a maximum of \$150,000 at rates established and with the conditions defined by the insurance company.

15.0 RETIREMENT

15.1 Bonus and Outstanding Vacation Payments on Retirement

1. An employee who has completed 10 years of continuous employment, shall be given, on retirement, a cash bonus equal to one month's pay. (In the case of a regular part-time employee, the one month's pay will be pro-rated as per Part A, Item 1.2.2.)
2. The employee on retirement shall also be given a cash payment for any outstanding vacation credits. The cash payment will be on the same basis as outlined in Part 'A', Section 6.6 – Vacation Payment on Termination.
3. If required by the Company to postpone his/her vacation for the year immediately prior to retirement, he/she shall receive a cash payment for that period. No payment shall be made for unused vacation for any other years.

15.2 Retirement While Ill

An employee who falls ill and is not able to return to work prior to the approved normal or early retirement date, shall, subject to approval by the Chief Physician, continue to be carried on the payroll as follows:

15.2.1 Sick Leave Grant Extends to or Beyond Retirement Date

If the sick leave grant carries the employee to or beyond the approved retirement date, the employee shall be retired upon being declared fit to return to work, or upon expiration of the sick leave grant, whichever comes first. The employee shall be given a cash payment in lieu of any outstanding vacation entitlement up to normal retirement date [see Subsection 15.1(2.) preceding], plus a bonus of one month's pay [if applicable, see Subsection 15.1(1.)].

15.2.2 Vacation Credit and Bonus Extends to or Beyond Retirement Date

If the sick leave grant expires prior to the approved retirement date, but part or all of the outstanding vacation credit (Part 'A', Section 6.6 – Vacation Payment on Termination) and bonus of one month's pay [if applicable, see Subsection 15.1(1.) preceding] carries to or beyond the approved retirement date, the employee shall be given a cash payment in lieu of any unused portion of:

1. The vacation credit accumulated up to the expiry of the sick leave; and/or
2. The month's bonus.

15.2.3 Sick Leave Grant, Vacation Credit and Bonus Expires Before Retirement Date

If the sick leave grant together with any outstanding vacation credit and month's bonus [where applicable, see the preceding Subsection 15.1(1.)] does not carry to the approved date, the case shall be referred to the Director of Health and Safety for a determination of the employee's eligibility for LTD.

15.2.4 Unused Vacation Credit for Preceding Year

An employee on sick leave grant which extends over the beginning of a calendar year may be allowed credit for any unused vacation for the preceding year, subject to the approval of the director, or official of equivalent or higher status with the concurrence of the Director of Health and Safety.

16.0 REDUCED HOURS OF WORK FOR EMPLOYEES WHOSE NORMAL HOURS OF WORK ARE 40 PER WEEK

Effective April 1, 1994, the base work week for 39.5 hour per week employees was reduced to 39.0 hours per week.

1. The normal scheduled and paid hours of work will remain at 40 per week.
2. Overtime rates will be paid for all hours in excess of normal scheduled hours.
3. This banked time may be taken on such days as the employee and his/her supervisor mutually agree upon following reasonable advance notice on the part of the employee.
4. Banked time may be taken off in a minimum of half-day (i.e., four-hour) increments.
5. Banked time accumulated in a calendar year must be taken by April 30 of the following year.
6. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD as noted in Part 'A', Item 12.2.1), unused banked time entitlement will be assigned on the last working day(s) prior to April 30.

7. Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
8. Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence and Pregnancy / Adoptive / Parental Leave.
9. When an employee terminates or when an employee is reclassified to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.

16.1 Alternate Hours of Work Arrangements

In the interests of promoting organization effectiveness whilst meeting the needs of employees, the local chief steward and the appropriate management designate may agree to Hours of Work Arrangements for a work group or crew other than the normal scheduled hours/days for purposes of using up banked hours only. Either party with reasonable notice may cancel or request a change to the hours of work arrangement. Where banking of time is the agreed upon arrangement, the provisions of 16.2 will apply.

The following organization effectiveness criteria will be considered to determine which hours of work arrangement including banking time is appropriate.

- (i) Where possible, hours should be arranged to allow more flexibility for employees
- (ii) Productivity levels overall will be maintained
- (iii) Cost effectiveness e.g. impact on overtime, staff levels
- (iv) Requirement for job coverage
- (v) Effective work flow and interface among work units
- (vi) Level of service to external and internal customers

16.2 Where an alternate hours of work arrangement has not been agreed to in 16.1, the employees will continue to work 40 hours per week, banking one hour per week at straight time subject to the following:

1. The normal scheduled and paid hours of work will remain at 40 per week.

2. Overtime rates will be paid for all hours in excess of normal scheduled hours.
3. Bearing in mind organization effectiveness and with reasonable advance notice on the part of the employee, this banked time may be taken on such days as the employee and his/her supervisor mutually agree. Banked time must be taken by April 30th of the following year.
4. Banked time for shift workers shall be rescheduled as part of the time balanced schedule. Should the parties affected by a particular schedule mutually agree otherwise, the banked days may be scheduled outside the shift schedule.
5. Banked time may be taken off in a minimum of half day (i.e. four hour) increments. By mutual agreement fewer hours may be taken off to accommodate abnormal situations.
6. Banked time will be calculated on a calendar basis. At that time bank time credits will be calculated and adjusted accordingly. Note: This represents a change in the period used for calculating banked time (i.e. from April 1 – Mar 31). Employees will not earn more or lose time as a result of this transition.
7. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD as noted in Part 'A', Item 12.2.1), unused banked time entitlement will be assigned on the last working day(s) prior to April 30.
8. Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
9. Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence, and pregnancy leave and parental leave.
10. When an employee terminates or when an employee is reclassified to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.
11. Within the calendar year, banked time may be taken off prior to it being earned. If an employee leaves a banked time arrangement having taken more time than time earned, the employee will pay back the unearned amount by one of the following methods:

- i) vacation or floating holidays, and where applicable statutory holiday credit;
- ii) payroll deduction – the employee may be required to provide written authorization for payroll deduction.

17.0 PAYMENT FOR ALLOWANCES

17.1 Temporary Instruction

17.1.1 Daily Allowance

An allowance of \$30.00 per day or part of a day will be paid to an employee withdrawn from his/her normal duties for up to a maximum of thirty consecutive working days, to prepare for and/or to deliver classroom instruction or group demonstration.

Instructors assigned beyond thirty consecutive working days will be compensated at the regular Training Technician rate (Grade 65, Step 3), or 6% more than the individual's normal base rate whichever is greater.

Temporary Instructor requirements anticipated to exceed five months in duration but not greater than eighteen months shall be posted as Temporary Instructor vacancies (as per Article 10). Compensation will be at the regular Training Technician rate (Grade 65, Step 3), or 6% more than the individual's normal base rate whichever is greater.

These training delivery opportunities will be distributed as equitably as possible based on the skills necessary to carry out the training.

Employees so appointed who are required to give instruction outside of normal working hours shall be paid for this time at the appropriate premium rate in addition to the allowance/rate.

This allowance would not apply to:

- preparing and/or presenting a segment of his/her routine safety meeting
- on the job training given by an employee
- those employees whose normal duties include instruction
- any supervisor who is not removed from his/her normal duties and who receives greater than 5 percent more than those he/she supervises
- normal journey person to apprentice relationships
- the evaluation of performance on a specific training project as in the Electrical Maintenance Training Program.

17.1.2 Weekly Allowance

Those employees who are appointed to instruct Controller/Dispatcher Trainee along with their regular duties shall receive \$50.00 per week bonus which is in compensation for the instruction and preparation of instruction material and for evaluating the performance and progress of the Controller/Dispatcher Trainee on a continuing basis of at least one week's duration.

Employees so appointed who are required to give instruction outside of normal working hours shall be paid for this time at the appropriate premium rate in addition to the allowance specified above.

This allowance does not apply to:

- on the job training given by an employee
- employees whose normal duties include instruction.

17.2 Part B Employees (Maintenance Trades)

17.2.1 Apprentices Attending School

Where an apprentice is required to attend a trades school in order to qualify as a tradesperson, or where it is clearly in the Company's interest to have the apprentice attend such a school, the apprentice will be granted a living allowance equivalent to 75 percent (75%) of his/her normal earnings in addition to any government grant, while attending a vocational or trades school under the Apprenticeship Act.

17.2.2 Field Allowance

A field allowance of \$25.00 per overnight stay will apply to all employees when working from bush camps or in northern communities in the Northeast and Northwest served by local diesel generation.

17.3 Part D Employees (Weekly Salaried)

17.3.1 Frontier Allowance

Regular weekly-salaried employees involved in construction who are absent from their headquarters for a period in excess of three consecutive weeks performing engineering and survey work in isolated locations in the Northeast and Northwest shall be entitled to a special 'Frontier' Allowance of \$5.00 per week for the full period worked.

17.3.2 Remote Northern Communities

An allowance of \$25.00 per overnight stay will apply to all regular employees in 'Protection and Control' when working in northern communities in the Northeast and Northwest served by local diesel generation.

18.0 HEADQUARTERS

18.1 General

Two classes of headquarters are established by the Company: work headquarters and residence headquarters.

18.2 Definitions

Work Headquarters – Regular: That location to which the employee normally reports in order to receive his/her daily work assignment or to perform his/her regular duties.

Work Headquarters – Temporary: The centre from which an employee is directed to work when carrying out all or part of his/her duties away from his/her regular work headquarters.

Residence Headquarters: The residence headquarters is that location within which or adjacent to which he/she is expected to reside or is assumed by the Company to reside for purposes of payment of allowances.

NOTE

The residence headquarters may or may not be the same location as the work headquarters.

Householder: Householder is defined as a person who maintains a complete dwelling.

18.3 Establishment of Headquarters

18.3.1 Work Headquarters

The Company may, at its discretion, establish work headquarters in any location for effective administration.

Notice Period – Overnight Absence at Temporary Work Headquarters: In the event an employee is assigned to temporary work headquarters and overnight absence is required, three working days' notice will be given. Notice will not be required where emergent conditions exist.

Penalty: Failure to provide notice as above will require payment of premium⁴ rates for work performed from the temporary work headquarters until the notice period has expired. This provision does not apply to travelling crews.

⁴ Time and one-half for two hours, double time for next four hours.

18.3.2 Residence Headquarters

The establishment of residence headquarters will be dependent upon the presence of adequate living facilities at that location.

Residence headquarters for employees with no spouse or dependents may be any location where there are boarding facilities either Company or privately owned.

Residence headquarters for employees with a spouse and/or dependents may be any location where there is housing accommodation whether it be Company or privately owned.

NOTE

Such accommodation must be one at which it is reasonable for the employee to reside.

Establishment of New Residence Headquarters: When a residence headquarters is established in a location which was not previously so designated, the human resources manager shall advise Labour Relations who, in turn, shall advise the Union.

NOTE

The Union need not be advised on individual moves from one established residence headquarters to another.

18.4 Change of Headquarters Upon Transfer

18.4.1 Advice of Headquarters

An employee shall be advised, when employed or transferred, of the location of his/her residence and work headquarters.

18.4.2 Notice of Transfer

When employees with more than one month's service are transferred and a change of residence headquarters is involved, a minimum of one month's written notice shall be given. This shall not apply in the case of an employee being transferred as a result of an advertised vacancy or as a result of the Worksite Redeployment clause of Article 11.0.

18.4.3 Duration of Stay in New Residence Headquarters

Householder: A change in residence headquarters will not be made for a householder unless it would appear that he/she will be located at the new residence headquarters for a period of at least six months.

Living in Trailers: For those employees living in household trailers, moves for lesser periods than six months may be authorized at the discretion of the division or region concerned, bearing in mind the distance and economics involved.

19.0 TRAVELLING TIME OUTSIDE NORMAL WORKING HOURS

When a supervisor directs employees to travel between one work centre and another work centre, they shall be entitled in any calendar day to payment for travelling at the appropriate premium rate in accordance with conditions governing overtime up to a maximum of the number of hours which constitute a normal work day subject to the following:

1. Overtime will be paid when employees are required to drive a Company vehicle outside normal working hours unless being used exclusively for their own personal transportation.
2. When travelling by public transportation, travelling time shall be considered to include waiting periods beyond the employee's control up to a maximum of five hours; both preceding, during and subsequent to the travelling period, but excluding meal periods (one hour each) occurring during the waiting period.
3. When a berth or overnight accommodation is allowed and available, compensation shall not be made between 2300 hours and 0800 hours, nor shall the time spent for noon and evening meals (one hour each) be subject to compensation.
4. Normally selection interviews are conducted during employee's normal working hours. However, where it is unavoidable, and an interview is scheduled outside an employee's normal working hours, additional payment will be made at straight time for each hour spent in interviewing or travelling up to a maximum of a normal day's basic pay for each day involved.
5. No compensation for travelling time outside the normal working hours shall be made in the following circumstances:
 - (a) For the first three hours travelling time each way when directed by his/her supervisor to attend a training course away from his/her normal work headquarters for five days or more. Payment for periods beyond the first three hours will be at straight time rates up to maximum of a normal day's basic pay.
 - (b) For attendance at conventions (except where it is part of the employee's normal function).
 - (c) When a change of residence headquarters and related transfer is involved, the employee will normally travel

during normal working hours without any loss of base pay. If the employee is required to travel on a regular day off, payment for travelling time will be made at straight time up to a maximum of the number of hours which constitute a normal work day.

- (d) On periodic return to residence headquarters resulting from a permanent transfer, as outlined in Section 23.12.
- (e) For a new employee reporting to some administrative centre or station for instruction or training before reporting for work at his/her new location.

6. Where the Company normally provides transportation facilities between residence headquarters and work headquarters for normal daily hours an employee required to work extension overtime will be provided free transportation to the residence headquarters.

NOTE

Equivalent time off without pay may be granted on the basis of an hour off for each hour spent travelling provided the workload permits.

20.0 COMPENSATION AT TEMPORARY HEADQUARTERS

During the term of this Collective Agreement, Management agrees it will not establish TWHQs that are less than 25 km from the regular work headquarters, with the following exceptions:

- 1. Within the Greater Toronto Area.
- 2. By mutual agreement between the Supervisor (FLM or Manager) and the PWU Chief Steward

It is understood that Management retains the right to deny employees the opportunity to commute to and/or from a TWHQ if there is a bona fide health and safety concern. Examples of such concerns are:

- 1. When the combination of work hours and commuting time would exceed 14 hours.
- 2. When there is extreme weather conditions.

20.1 Travel Outside of Residence Headquarters

When employees are directed to work at a temporary work headquarters which is outside of their residence headquarters, and when such headquarters is 50 kilometers or less from their residence headquarters, the

employee will be eligible to receive the commuting expense outlined below. When the distance is greater than 50 kilometers the employee may wish to commute daily rather than remain at the temporary work headquarters. When commuting, the employee may claim a daily travel expense on the following basis:

1. Where the temporary work headquarters is 50 road kilometres or less from the regular work headquarters: – \$35.00.
2. Where the temporary work headquarters is greater than 50 road kilometres but less than 101 road kilometres from the regular work headquarters: – \$55.00.
3. Where the temporary work headquarters is 101 road kilometres or more from the regular work headquarters: – \$85.00.

Employees are required to be at their temporary work headquarters at normal starting time and remain until normal quitting time. Employees will normally arrange for their own transportation, however, employees being paid a daily commuting expense may be required to drive a Hydro One vehicle to the Temporary Work Headquarters rather than their own personal vehicle. In these situations, the employee is still entitled to claim the full daily commuting expense and transportation arrangements will be made to return them to their regular work headquarters. Any passengers are also entitled to claim the full daily commuting expense. The driver is not entitled to overtime payments.

Employees must inform their supervisor, prior to commencing the TWHQ assignment, whether they elect the daily travel expense or remaining at the temporary headquarters for TWHQ greater than 50 kilometers. Such elections are for a one week period or the duration of the TWHQ assignment if it is less than a full week. On an exception basis, and only due to extenuating circumstances, the employee can change his/her election. When this occurs, all that is changed is the daily travel expense (that is, one return trip) is exchanged for motel and meals (or vice versa) for each affected day. As well, on an exception basis, and only due to extenuating circumstances, the supervisor can change the employee's election to take the daily travel expense. When this occurs, all that is changed is the daily travel expense (that is, one return trip) is exchanged for motel and meals for each affected day.

When employees elect to stay at the temporary headquarters as outlined above they shall be:

1. Paid for time spent travelling on the first trip when the work headquarters is changed and the last trip when he/she returns to his/her regular work headquarters.

While an employee is in receipt of benefits under Section 20.1, he/she will not be entitled to any of the provisions as set forth in 20.3.

20.2 Travel – Compensation When Assigned to Temporary Work Headquarters – Outside Residence Headquarters

It is often necessary for Company employees including those on transfer to work at temporary work headquarters which are at points distant from their residence headquarters.

Having due regard to the nature, importance, and length of the job and when practicable, the Company shall, within reasonable limits, reimburse the employee for expenses incurred in returning to his/her residence headquarters once each week. If an employee chooses to remain at the temporary work headquarters, the Company will pay the lesser of the cost of meals and accommodation or the cost of the return trip to his/her regular work headquarters.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.3 Return to Residence Headquarters When Transferred to a Temporary Work Headquarters

Entitlement will be for the duration of the transfer (subject to postponement as per 20.6.2 below).

All travel time associated with return to regular headquarters will be outside the employee's scheduled hours of work. The employee will be entitled to payment for actual time spent travelling at straight time to a maximum of eight hours each way.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.4 Assignments to Training Courses

Employees assigned to temporary work headquarters for training courses of five days or more will be compensated for expenses incurred in returning to his/her residence headquarters once each week.

No compensation shall be made for the first three hours of travelling time each way. Payment for periods beyond the first three hours will be at straight time rates up to a maximum of a normal day's basic pay.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.5 Expenses – Outside Residence Headquarters

The Company shall assume, within reasonable limits, the cost associated with meals, travel and lodging while an employee is assigned to a temporary headquarters. Where possible, single room accommodation will be provided.

Board and lodging shall be supplied without charge if the employee is living in Company-operated quarters.

When employees are required to work away from their normal headquarters for three consecutive days or more in a week, they shall be entitled to claim \$20.00 in compensation for laundry and long distance telephone calls home.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.6 Qualifications to Above Policy

The return trips mentioned in Section 20.3, will be granted subject to the following conditions:

20.6.1 Scheduling of Trips

Return trips to residence headquarters shall be made at times when service or apparatus will not be jeopardized thereby except in case of emergency such as illness in the family or other matters highly important to an employee.

The Company will schedule the trip to meet the needs of the majority concerned or by mutual agreement where the work of some employees is dependent on the assistance or presence of other employees.

20.6.2 Postponement of Return to Residence Headquarters

If, at the end of a week, when a return to residence headquarters would normally take place, it appears that the job will be completed on or before Wednesday of the following week, the return trip may be postponed until the job has been completed. If work is not planned on the weekend, the employee will have the option of remaining at the temporary headquarters or claiming the equivalent cost of staying at the temporary work headquarters and make his/her own arrangements.

20.6.3 Use of Company Vehicles

The round trip to residence headquarters must be made within the scheduled non-working period. It must be made in a Company vehicle whenever the services of a suitable vehicle are available.

When a suitable Company vehicle is available, employees who do not avail themselves of these facilities will not be reimbursed for transportation expenses. Those who remain at the temporary work headquarters will be treated as if they were at residence headquarters.

When transportation by Company vehicle is not provided, the equivalent of public transportation costs or the standard kilometre allowance, whichever is lesser, will be authorized by his/her supervisor for an employee who

chooses to use his/her own car instead of public transportation for himself/herself alone or for carrying other employees as passengers.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.6.4 Alternate Working Arrangements

In special cases when a temporary work headquarters is remote from public transportation, employees will be allowed to accumulate or “bank” overtime at straight time rates to a maximum of 40 hours in order to have extra time away from the job. Such permission shall only be granted when the majority of the affected employees agree. Each special case is subject to agreement between the PWU Executive Committee and Labour Relations.

When mutually agreed to by management and the local chief steward alternate hours of work (e.g. 7 days on 7 days off) may be established to allow employees to have extra time away from the job.

20.7 Alternative to Return to Residence Headquarters

The Company will consider paying travelling costs up to a maximum of the costs to residence headquarters when an employee wishes to go to some other location for personal reasons such as to join his/her family who are vacationing.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.8 Travel Inside Residence Headquarters

When employees are directed to report for work at normal starting time at a temporary work headquarters which is within their residence headquarters, they will be paid a daily travel expense equivalent to the return road kilometres between the temporary work headquarters and the regular work headquarters, computed at the current standard kilometre rate. This travel expense will be paid each day the employee works at the temporary work headquarters. In addition to this daily travel expense, the employee shall be paid for time spent travelling on the first trip when the work headquarters is changed and the last trip when he/she returns to his/her regular work headquarters. Trades and Protection and Control staff, whose regular work headquarters is within the city of Toronto, shall be eligible for the commuting expense outlined in Part A Item 20.1 when assigned to a temporary work headquarters within residence headquarters.

20.9 When employees are directed to work at a temporary work headquarters as in Section 20.8 and the Company provides a vehicle for daily transportation, the above daily travel expenses shall be reduced by 50 percent (50%).

21.0 METROPOLITAN TORONTO BOUNDARIES

For purposes of payment of travelling allowances the boundaries of Metropolitan Toronto, for Company purposes, shall conform to the Toronto metropolitan area boundaries as recognized by the municipalities constituting Metropolitan Toronto.

NOTE

This does not affect other special settlements relative to moving allowance, meals, etc., presently in effect within the metropolitan area of Toronto.

22.0 KILOMETRE RATES

Kilometre rates paid to employees using their automobiles on Company business shall be as follows:

1. The rate paid per kilometre is related to changes in the Private Transportation Index component of the Consumer Price Index of Canada.
2. The rate of .40 cents per kilometre will take effect on June 1, 2000.
3. Future increases of one cent per kilometre will occur with each additional ten percent (10%) point increase from the base figure of 31.5 (1992 CPI = 100) in accordance with the formula described in a letter of agreement between The Company and the Union dated May 25, 1983.
4. Conversion factor is 1 mile = 1.6 km.
5. A decline in the index below the level of a previously surpassed trigger point for two or more consecutive months will result in a reduction in the paid rate to the appropriate amount.
6. The effective date for any new kilometre rate triggered by this indexing formula will be the first of the month following the month in which the index is published.
7. The additional payment for hauling household trailers will be nine cents per kilometre. The payment for hauling smaller trailers (camper, ski-doo, boat, etc.) will be three cents per kilometre.
8. The above rates will apply on a province-wide basis.

As a condition of employment, the Company does not require anyone to own a car. When transportation is required, the employee may, with the Company's approval elect to use his/her own car at the approved kilometre rate but if he/she does not elect to use his/her own car or if he/she does not

own a car, the Company will, if necessary, provide alternative transportation appropriate to the occasion. However, ownership of an appropriate driver's license may be a condition of employment in some situations.

23.0 TRANSPORTATION AND MOVING EXPENSES

23.1 General

Method of Transportation: The method of transportation and all expenses chargeable to the Company in moves of employees are subject to the control and approval of the Company.

Packing and Shipping Furniture: In view of the Company's willingness to pay for packing furniture, as well as transportation, employees usually will not be allowed time or travelling expenses to return from point of work in order to look after packing and shipping of furniture, subject to Subsection 23.5, Time Off For Move.

23.2 Notice of Transfer

Refer to Section 18.4.2.

23.3 Transfer of Temporary Employees

The Company will only pay necessary travelling expenses of temporary employees when they are moved from one location to another at the Company's request.

NOTE

The transportation of families and/or furniture of such employees will not be paid.

23.4 Appointment of New Probationary Employees

A new employee hired for a regular position in a location other than the point of hire will not ordinarily be recompensed for moving expenses.

NOTE

In exceptional cases, as part of the employment agreement, a director may pay all or part of the moving expenses of the employee and household to the location where the employee will be employed.

This rule applies to a new controller/dispatcher-trainee or a new apprentice who is being assigned to the first location.

NOTE

Costs of transporting the family of a controller/dispatcher trainee or of an apprentice to a new location during the training period will be paid, but costs of moving the household effects of a controller/dispatcher trainee or of an apprentice who is a householder will only be paid when they have attained two years' service or on the final move to a regular position.

23.5 Transfer of Regular Employees

The following instructions will apply to all regular employees subject to the following limitations: A controller/dispatcher trainee will be eligible when progressing satisfactorily with the training course, after the attainment of two years' service. Apprentices will be eligible upon successful completion of the learner stage of their development, i.e., when they become improvers. In the case of regular part-time positions, expenses for employees will be pro-rated based on the hours of the position into which they are moving except for moves governed by Article 11.20 in which case Part A, Item 23.0 applies in whole.

Householders: When the residence headquarters of a regular employee, who is a householder, is changed and the employee's work headquarters is moved 15 km further from his/her home and such employee has moved his/her household at least 15 km closer to his/her new work headquarters, the Company will pay the cost of:

NOTE

A householder is defined as a person who maintains a complete dwelling.

1. Transporting the employee and family.
2. The packing, freight or truck charges on household effects, among which will be included boats and second automobiles which are part of the personal effects of the employee.

NOTE

Items of this kind which are used for business farming or commercial purposes, as well as large boats such as houseboats which would require special transportation would not be included in moving expenses paid by the Company.

3. The cost of board and lodging for the employee's family while furniture is in transit.

Board and Lodging: The Company will also pay the expenses or board and lodging allowance for the employee as applicable under Part 'A', Section 23.15.

Part 'D', Job/Field Clerks: Moving expenses will only be paid when there is a minimum of six months' work available at an established work headquarters or on a special project for these employees who are householders.

NOTE

For regular employees living in household trailers, moves for lesser periods of time than six months may be authorized by the department head or construction manager concerned. In this connection the distances and economics must be carefully considered.

Incidental Out-of-Pocket Moving Expenses: Employees may claim a \$4,500 allowance for miscellaneous out-of-pocket expenses required by the move. The requirement for supporting receipts and taxability of the allowance will be governed by Accounting Service Procedures.

Lease Termination: The Company will pay up to the maximum of two months rent towards the actual cost in terminating a lease.

Time off for Move: If regular employees who are householders are required to move their household to new residence headquarters on a regular scheduled day of work, they shall be granted one day off with pay to assist in the move.

NOTE

Extension of this time off with pay will be at the discretion of the director concerned.

Non-householders: When the residence headquarters of a regular employee who is a non-householder is changed, the cost of transporting the employee will be paid. A director, at his/her discretion, may authorize actual moving expenses to a maximum of \$750.00 or a lump sum payment of \$750.00 towards the cost of moving personal effects, including furniture. No reimbursement will be made for incidental out-of-pocket expenses.

NOTE

This section does not apply to controller/dispatcher-trainees nor to indentured apprentices with less than two years' service.

Kilometre: All employees described under the Householders and Non-householders sections may be allowed the regular kilometre rate for driving

the employee's car to the new location provided that such cost is not more than it would otherwise cost for transportation of the employee's family and for freight on shipment of the automobile.

NOTE

When the Company considers a preliminary trip to the new location is necessary for interview or for the employee to seek a house, the time, board and lodging and travelling expenses of the employee may be paid.

Legal and Real Estate Brokerage Fees: In addition to the provisions of the Household and Kilometre sections, with the exception of employees and circumstances listed in Exceptions subsection below, regular employees who are householders, required by the Company to move their principal residence, shall be entitled to the following:

1. The Company will reimburse the employee up to \$3,500.00 for legal fees and disbursements actually incurred in selling the old residence and/or buying the new principal residence, (legal fees will be in accordance with a standard recognized scale and could include such items as land transfer tax, survey and legal fees associated with arranging or discharging a first mortgage and mortgage appraisal fees).
2. The Company will reimburse the employee for standard brokerage fees up to \$11,500.00 related to the sale of the old principal residence.
3. To qualify for payment of expenses involved in purchasing a new residence, the employee must give written notice at the time of his/her transfer that he/she intends to buy a residence.
4. If an employee sells a mobile home [i.e., a trailer designed and used exclusively as a residence which exceeds 2.6 metres (8.5 feet) in width or 10.67 metres (35 feet) in length], he/she is considered to have sold his/her residence.
5. When an employee's actual cost exceeds the maximum allowed in either 1 or 2 above the employee may utilize any surplus in the other item up to the maximum of \$15,000.

Exceptions: Any transaction which is not commenced within one year of the date of the employee's transfer. Extension of this time period shall be at the discretion of a director.

Moves resulting from a demotion for cause.

23.6 Housing Assistance Plan

Eligibility for the Housing Assistance Plan is conditional on the employee abiding by all the requirements of the Housing Assistance Plan as listed below:

23.6.1 Application

23.6.1.1 The housing assistance plan applies to regular employees eligible under Item 23.5 who are subject to a forced transfer or who have received a written declaration that they are surplus.

23.6.1.2 The provisions of this policy are only applicable to the principal residence of the employee, but do not cover other commercial (income producing) properties, cottages which are not the principal residence, farms, commercial real estate holdings, tenanted properties (e.g. duplex or triplex), mobile homes on leased land, or residences with urea formaldehyde foam insulation (UFFI) or properties as defined in Item 23.6.1.3.

23.6.1.3 It will be the prerogative of the Company to reject an employee's application for Housing Assistance if the property is not an acceptable risk, with free and clear title.

23.6.2 Purchase Guarantee

23.6.2.1 The Company will provide a purchase guarantee based on an appraisal of the property's current worth by a group of up to three appraisers, to be selected by mutual agreement between Corporate Real Estate and the employee. The appraisals will be done at a time that is convenient to the employee and his/her family. Individual appraisals provided to the Company by the realtors/appraisers will not be disclosed to ensure objectivity for current and future appraisals.

23.6.2.2 The Company will not request appraisals until the employee is ready to list his or her house in the marketplace, providing this is within one year of the employee's transfer to the new work location, and the employee is prepared to abide by Subsection 23.6.2.4 and Subsection 23.6.3.1.

23.6.2.3 The employee must accept or reject the Company's Purchase Guarantee within five working days of its receipt. If the employee rejects the Purchase Guarantee, the Company has no further responsibility with regard to Housing Assistance or the Purchase Guarantee, however, the employee will still be entitled to the other relocation assistance benefits including 23.6.5.3.

23.6.2.4 If the employee wishes to participate in the Housing Assistance Plan, the employee must not list the property for sale until the Purchase Guarantee has been accepted.

23.6.3 Listing of Property

23.6.3.1 If an employee chooses to participate in the Housing Assistance Plan, by accepting the Purchase Guarantee, the employee will immediately list the property for 90 days on MLS (where such service is available) at a price not exceeding 107% of the guaranteed price.

23.6.3.2 Under the Housing Assistance Plan, the Company purchases an employee's principal residence in the former location at market value, if the employee is unable to sell it within 90 days. The house may be purchased by or turned over to the Company after 30 days if the house is vacant and the employee agrees with this action. The employee must put in writing that no real estate fees will be paid if the property is purchased by the Company.

23.6.3.3 The employee will retain the right to sell to a third party until such time as the property is purchased by or turned over to the Company for resale.

23.6.3.4 In order to assist the employee to dispose of the property expeditiously and at a fair market value, the employee must notify the Employee Relocation Administrator of all offers to purchase during the listing period. The Company may ask the employee to accept an offer which is lower than the Purchase Guarantee, whereupon the employee will be compensated for the difference between the Company's Purchase Guarantee and the amount of the offer. The employee's acceptance of any offer less than the Company's Purchase Guarantee is not mandatory and the employee will retain control of the sale of the residence throughout the listing period. All offers to purchase will be held in confidence by the Employee Relocation Administrator.

23.6.4 Sale of Property by the Company

23.6.4.1 The employee must be prepared to sign power of attorney authorizing the Company to sell property on the employee's behalf on the first day following the 90 day listing period. If the employee will be unable to vacate the premises at that time, the Employee Relocation Administrator must be notified.

23.6.4.2 The Company will pay to the employee the difference between the value of the property to the Company (Purchase Guarantee) and all existing encumbrances, including the advance of equity when the house is turned over to the Company or at the end of the 90 day listing period, whichever comes first.

23.6.4.3 When an employee applies for assistance under this procedure, he or she must declare under oath, if required by the Company, all encumbrances of any nature or kind whatsoever, including executions, chattel mortgages, and notices of conditional sales contracts which the employee is obliged to pay.

23.6.4.4 In consideration of the payment to the employee of the amount established in Subsection 23.6.4.2, the employee will complete a deed of sale of the property, conveying the same by good and marketable title, but subject to all existing encumbrances, to the Company or its nominee.

23.6.5 Advance of Equity

23.6.5.1 In order to provide the employee with funds for a deposit or down payment on a residence at the new location, an advance of up to 100% of the employee's equity (Purchase Guarantee minus encumbrances) in the employee's principal residence at the former location may be loaned to the employee by the Company.

23.6.5.2 If the employee accepts the Company purchase guarantee and sells his/her principal residence during the 90 day listing period, he/she is responsible for repaying the Advance of Equity to the Company within five working days of the closing date of the sale of the former residence. Failure to do so will activate the appropriate interest charges to the employee based on the Treasury Division's Published Interest Rate Schedule (employee housing loan five-year term) in effect on the closing date of sale. It is the employee's responsibility to repay the Advance of Equity to the Company within five days of the sale of the former residence, or within 90 days from the date of issue of the Advance, whichever comes first.

23.6.5.3 An employee who rejects the Company's Purchase Guarantee, may take advantage of the Advance of Equity option. If the former principal residence is not sold within 90 days of the date of issue, the employee must pay interest to the Company at his/her own expense commencing on the 91st day. The interest rate will be based on the Treasury Division's Published Interest Rate Schedule (employee housing loan five-year term) upon the expiration of the 90-day period. It is the employee's responsibility to repay the Advance of Equity to the Company when the former residence is sold, or within 180 days (six months) from date of issue of the Advance, whichever comes first.

23.6.6 House Evaluation and Guarantee Plan

Upon subsequent transfer within the Company, an employee will be guaranteed his/her purchase price up to a maximum of four times his/her base salary at the time of the transfer (plus or minus \$3,000 for improvements or damages to the property). This guarantee will be for

a period of ten years from the date of purchase. Improvements must be verified by receipts and do not include normal painting, decorating and maintenance costs. An employee may not sell his/her house for less than the guaranteed amount without the consent of the Company.

If an employee contracts to have a house built in the new location, the Employee Relocation Administrator, Corporate Real Estate, must arrange for an appraisal of the new principal residence upon completion to establish the "guarantee amount".

If an employee who is eligible for the House Evaluation and Guarantee Plan rejects, or does not qualify for, the Company's Housing Assistance Plan, the following stipulation will apply. The employee must not sell to a third party for a price less than the employee's original purchase price, unless the sale price is approved by the Employee Relocation Administrator, Corporate Real Estate.

The price level guaranteed by the House Evaluation and Guarantee Plan will be modified downwards in the event of a significant reduction in the level of real estate prices throughout Ontario.

23.7 Transfer of Regular Employees – Staff Reduction and Recall Procedure – PWU Agreement – Article 11

No moving expenses will be paid for an employee being recalled to a vacancy.

Recall shall include employees who are reclassified from a lower classification to their original classification as well as employees who have terminated employment and are recalled.

When regular employees who, with the approval of the region or division are occupying a house or a trailer on Company property or a site under control of the Company, become surplus and are unable to transfer under Article 11 but are laid off, they shall, if required by the Company to move, be reimbursed under Section 23.5 or 23.7, whichever is applicable, in an amount equal to the cost of a move back to the regional office or to the actual location to which the employee desires to move, whichever is the lesser.

23.8 Use of Trailers

Special Trailer Allowance: Regular employees entitled to moving expenses who are moving to sites that do not have convenient facilities for parking household trailers will be entitled to a special trailer allowance of \$150.00. Such facilities include blocking up of trailers, hook-up of water, sewage, electricity and the like.

NOTE

Employees moving to established trailer parks, either privately owned or on Company property, will not be entitled to this special allowance.

At Temporary Headquarters: Regular employees who desire to live in a trailer while working away from their residence headquarters may do so with the approval of the department head.

When moving the trailer from one temporary location to another temporary location, the employee will be allowed the cost of only public transportation unless the employee is using his/her car for Company purposes, in which case the standard kilometre rate will be allowed.

At Residence Headquarters:

1. When a regular employee lives in a trailer and moves it to the new residence headquarters by car, payment shall be:
 - (a) In addition to the authorized car kilometre rate, a sum equal to nine cents per kilometre for moving by the shortest practical route between the two residence headquarters.
 - (b) Normal living expense en route for the employee and immediate family.
 - (c) The special trailer allowance of \$150.00 will be paid.

NOTE

Incidental out-of-pocket moving expenses will not be paid.

2. When an employee lives in a trailer but does not own a car or feels that the car is not suitable to pull the trailer:
 - (a) The Company will arrange for the moving of the trailer by the most economical method.
 - (b) The employee will be responsible for arranging a new location for the trailer.
 - (c) The employee and/or family will not occupy the trailer while in transit.
 - (d) Transportation expense will be supplied in the same manner as if the employee were moving from one house to another except that incidental out-of-pocket moving expenses will not be paid.

- (e) The special trailer allowance of \$150.00 will be paid where applicable.
3. When an employee who lives in a trailer, decides to live in a house at the new location:
- (a) Personal effects and furniture excluding the trailer will be moved.
 - (b) The employee and family will be supplied transportation in the usual manner.
 - (c) The employee may claim a \$4,500 allowance for miscellaneous out-of-pocket expenses required by the move. The requirement for supporting receipts and taxability of the allowance will be governed by Accounting Service Procedures.
4. When an employee who lives in a house decides to live in a trailer at the new location, payment shall be either:
- (a) Moving expenses for furniture and family, but not trailer, if the employee desires the furniture shipped, or
 - (b) Expenses as outlined in residence headquarters Subsections 1. and 2., if furniture is moved in the trailer.
 - (c) The special trailer allowance of \$150.00 will be paid where applicable, but the disturbance allowance will not be paid.

NOTE

The Company will not accept responsibility for any damage to an employee's trailer and/or contents while in transit under any of the circumstances mentioned in Subsection 1.5.

23.9 Transfer to Non-Supervisory Vacancies: Other Positions

Where management requests an individual employee to submit his/her application to a "Non-Supervisory Vacancy: Other Positions" to a particular location, moving expenses as outlined in Subsections 23.5 and 23.7 will be paid.

The payment of moving expenses to employees who are being transferred at their request and entirely for their own accommodation will be at management's discretion.

23.10 On Retirement

A regular employee on retirement shall be reimbursed under Subsection 23.5 or 23.7, whichever is applicable, in an amount equivalent to the cost of the move to any location in Ontario in which the employee desires to settle if:

1. A house or trailer is occupied on Company property or a site under the Company's control; and
2. The Company requires the move.

23.11 Allocation of Moving Expenses

When an employee is moved from one location to another, the expenses involved shall be charged to the location to which the employee is moved except in the case of a move of a retiring employee occupying a Company-owned house. In this instance the expenses shall be charged to the residence headquarters at the time of retirement.

23.12 Return to Residence Headquarters on Permanent Transfer

An employee permanently transferred to a new residence headquarters will be reimbursed for expenses incurred in returning to his/her old residence headquarters once each week until he/she moves his/her family to the new location. The maximum period of entitlement will be four months from the date of transfer to the new residence headquarters unless extension is authorized by the appropriate director.

Entitlement shall cease when the employee moves his/her family to the new location.

All travel time associated with the return to residence headquarters will be outside the employee's scheduled hours of work.

The employee will not be entitled to claim payment for travel time.

23.13 Conditions of Return Trip

The return trips mentioned in Section 23.12, will be granted subject to the following conditions:

23.13.1 Scheduling of Trips

Return trips to residence headquarters shall be made at times when service or apparatus will not be jeopardized thereby except in case of emergency such as illness in the family or other matters highly important to an employee.

The Company will schedule the trip to meet the needs of the majority concerned or by mutual agreement where the work of some employees is dependent on the assistance or presence of other employees.

23.13.2 Use of Company Vehicles

The round trip to residence headquarters must be made within the scheduled non-working period. It must be made in a Company vehicle whenever the services of a suitable vehicle are available.

When a suitable Company vehicle is available, employees who do not avail themselves of these facilities will not be reimbursed for transportation expenses. Those who remain at the temporary work headquarters will be treated as if they were at residence headquarters.

When transportation by Company vehicle is not provided, the equivalent of public transportation costs or the standard kilometre allowance, whichever is lesser, will be authorized by his/her supervisor for an employee who chooses to use his/her own car instead of public transportation for himself/herself alone or for carrying other employees as passengers.

23.14 Alternative to Return to Residence Headquarters

The Company will consider paying travelling costs up to a maximum of the costs to residence headquarters when an employee wishes to go to some other location for personal reasons such as to join his/her family who are vacationing.

23.15 Board and Lodging

23.15.1 General

The payment or nonpayment of board and lodging (or living-out allowance in lieu thereof) shall be predicated on separation or non-separation from the employee's Residence Headquarters as defined in Part 'A' Item 18.0.

NOTE

No free board and lodging shall be given to employees while they are located in their residence headquarters except where camp facilities are provided.

When Applicable: Board and lodging allowance is only applicable when the employee is absent from residence headquarters for more than one month.

For periods of time up to one month, the employee is entitled to submit an expense report for actual expense incurred.

23.15.2 Rate of Allowance

The board and lodging allowance shall be \$45.00 per day.

Statutory Holidays and Vacation: Board and lodging will be allowed for statutory holidays.

During annual vacation period, lodging expenses only will be allowed, whenever it is necessary for the employee to retain this lodging for use after vacation, and approval has been obtained from the department head.

NOTE

If, under certain circumstances and local conditions, the standard rate is considered inadequate, and it would result in undue hardship to the employee, a higher weekly limit, commensurate with existing conditions, may be set with the approval of the vice-president or the general manager concerned. In this case, the request must be supported by vouchers.

23.15.3 Absence from Residence Headquarters

Board and lodging shall be supplied without charge if the employee is living in Company-operated quarters.

Employees are eligible to claim \$20.00 in compensation for laundry and long distance telephone calls home when away from their normal headquarters for three consecutive days or more in a week, in addition to actual expenses claimed or any board and lodging allowance received due to a change in residence headquarters in accordance with 23.16.

23.16 Change of Headquarters

23.16.1 Regular Employees – Householders

A regular employee shall be paid expenses up to a maximum period of four months as follows:

Actual expenses for up to one month from the date of actual transfer to the new location, and thereafter the standard board and lodging allowance until the time the household is moved to the new location.

NOTE

Such an employee must be a householder and entitled to the payment of expenses as outlined in Part 'A' Item 23.0.

Extension of Allowance: Payment of any allowance beyond the period of four months must be authorized by the appropriate director.

Eligible Employees: Payment of this allowance will be made only to an employee who indicates an intention to move to the new location.

If the employee fails to move within the time limit, any cash allowance paid in lieu of board allowance shall be recovered by the Company unless the reasons for not moving were beyond the control of the employee and/or the employee actually did board in the new location during this period.

23.16.2 Non-householders

An employee who is a non-householder shall be permitted actual expenses to a maximum of up to one month, after which no allowance will be made.

23.17 Apprentices

If transferred to a new headquarters upon completion of the training course, the apprentice shall receive allowances as provided for a non-householder in Section 23.16.2.

24.0 PROMOTIONS

Promotion means a change to a new job which carries a higher maximum salary schedule rate (base rate) or a higher salary grade resulting from an increase in job demands and responsibilities within a job. (See also definition in Article 10.1.5 (C))

24.1 Part D (Weekly Salaried)

24.1.1 Promotion Rule

Object: The object of the rule is to ensure, on promotion, an increase in salary to compensate for an increase in job demands and responsibilities.

1. On promotion, the employee's rate is to be set at the lowest progression step (in the salary grade for the job) which will give a minimum increase of three percent (3%) above the employee's existing basic rate.
2. In the case of single grade promotions (or the equivalent under Pay Equity) the following will apply:
 - If at step 1 of the current grade, go to step 1 of the next grade.
 - If at step 2 of the current grade, go to step 1 of the next grade.
 - If at step 3 of the current grade, go to step 2 of the next grade.
3. In cases where 24.1.1(2) does not result in at least a three percent (3%) increase, a rate that reflects not less than a three percent (3%) increase from their current rate will be paid. This interim

rate will continue in effect until the next anniversary date at which time the employee will resume his/her place on the current salary schedule. This rate will be the next step in the salary grade which guarantees an increase of at least one and one half percent (1.5%) from the interim rate.

NOTE

An employee who is affected by such an “off-schedule” rate will be affected only once during his/her progression to the top step of his/her job. In no case will the rate be more than the maximum rate for the job grade.

24.1.2 Payment of the Salary Grade for the Job

On promotion, the employee will be placed directly in the salary grade for the job, except in training situations under the Clerical-Technical Plan (where an employee may be advanced gradually through the appropriate training job levels to the terminal job grade). He/she will be granted the progression step required by the promotion rule, except where a higher progression step is being granted for previous experience (Subsection 24.1.5).

24.1.3 Promotion from Hourly-Paid to Weekly-Salaried Jobs

The promotion rule applies in the case of an hourly-paid employee being promoted to a weekly-salaried job.

The rule does not apply in the case of a weekly-salaried employee being promoted to an hourly job.

24.1.4 Payroll Rates in Excess of Approved Job Grades

When an employee is being paid a special rate (such as results from restructuring of jobs, retrogression, implementation of new salary plan, or salary guarantee) which exceeds the appropriate rate for the job he/she holds, he/she should on promotion:

1. Continue to be paid the special rate, or
2. Be paid the progression step resulting from application of the promotion rule to the appropriate progression step in the approved grade of his/her former job, whichever is higher.

24.1.5 Previous Experience

Where an employee being promoted has had previous applicable experience in a higher level job but was demoted for reasons other than cause or inability, a higher progression step than is indicated by the promotion rule may be chosen by the Company.

24.1.6 Relief Situations

In relief situations where less than the normal duties are being performed and a lower salary grade has been established for the relief period, the promotion rule will be used to establish the appropriate progression step or off-schedule rate in the lower salary grade.

24.1.7 Progression Following Promotion

Progression dates shall be calculated from the date of appointment or promotion date to the position. Subsequent salary adjustments shall occur at 12-month intervals from the appointment or promotion date.

25.0 JOINT COMMITTEES

25.1 Joint Pension Committee

1. **Scope:** To monitor the administration and the financial status of the Pension Plan covering all plan members and to recommend changes as set out below:
2. **Personnel:** The “Joint Pension Committee” shall meet at least twice a year or as requested by either party and shall consist of the following members:
 - three PWU members
 - three Company management members

Each party will have the right to have a reasonable number of resource personnel attend the meeting.

The chair will rotate between Hydro One Inc. and PWU, one meeting each.

Every effort will be made to reach unanimous decisions. In the event that a unanimous decision cannot be reached, decisions will be by a vote of a majority of members representing both PWU and the Company.

3. **Function:** In an advisory capacity with access to the necessary information: (This is limited in that it does not apply in respect of information as to the service, salary, pension benefits or other personal information related to any specific person without that person’s prior consent.)

Pensions

- (a) Monitor Hydro One Inc.’s administration of the Pension Plan as established under associated regulations and rules, and applicable legislation.

- (b) Make recommendations respecting the administration of the Pension Plan.
- (c) Promote awareness and understanding of the Pension Plan on the part of Plan members.
- (d) Review the Company's approved annual financial statements and investment performance.
- (e) Review the Company's approved Actuarial Valuations of the Pension Plan and discuss the need for assumption changes.
- (f) Identify potential benefit changes and discuss cost and other implications. Committee recommendations for benefit level changes will be subject to ratification of the respective parent bodies.

Life Insurance

- (a) Review the financial position, premiums and taxable benefits of the life insurance provisions of the Plan.
- (b) Identify potential benefit changes and discuss cost and other implications. Committee recommendations for benefit level changes will be subject to ratification of the respective parent bodies.

25.2 Joint Health and Safety Consultation

The parties will consult regularly on corporate level employee health and safety matters. The following two joint committees will be established to facilitate this consultation.

25.2.1 Joint Health and Safety Policy Committee

The Joint Health and Safety Policy Committee provides a forum for the parties to consult regularly on corporate level employee health and safety matters.

1. Goal

To participate in the formation of health and safety strategy and policy by providing information and opinion from the Union to the Company's executive on employee health and safety.

2. Personnel

Two Management Representatives
 Two Power Workers' Union Representatives
 Two Society Representatives

The Chair will rotate between Management, Society and Power Workers' Union

3. Function

- (a) Identify problems and issues of Company significance which have not been resolved in the Joint Health and Safety Working Committee.
- (b) Review proposed initiatives and advise the corporate executive.
- (c) Provide direction/assignment/scope of project initiatives to the working committee or adhoc committees for execution.
- (d) Evaluate existing policy and advise the corporate executive on recommended changes. This function applies particularly to safety rules and work protection code.
- (e) Develop Joint Policies on Health and Safety
 - i) Authority to Stop Work
- (f) The committee will meet two times per year or as mutually agreed.

25.2.2 Joint Health and Safety Working Committee

The Joint Health and Safety Working Committee represent Management, Society and PWU members within Hydro One.

1. Goal

- (a) Provide recommendations to assist the Health and Safety Division in the development, promotion, implementation and evaluation of Hydro One employee health and safety policy and programs.

2. Personnel

Three Management Representatives
Three Power Worker Representatives
Three Society Representatives
The Chair will rotate between Management, Society and Power Workers Union.

3. Function

- (a) Participate in the identification of problems and issues of Company significance in employee health and safety policy and practice.

- (b) Participate in the development, promotion and implementation of Company health and safety programs.
- (c) Study, develop and make recommendations for changes to the corporate safety rules and work protection code. This function can be delegated to an ad hoc group.
- (d) The committee will normally attempt to resolve issues of mutual interest before seeking intervention by senior management or the Joint Committee on Health and Safety.
- (e) The committee will meet quarterly or as mutually agreed.

25.3 Joint Trades Classification Committee

A joint committee shall be established on the following basis:

1. **Name:** Joint Trades Classification Committee.
2. **Personnel:** Maximum of three appointees from each party.
3. **Function:** To study and formulate descriptions and duties of all hourly-rated and weekly-rated trade classifications on wage schedules 24, 25, 27, 31, and 32, presently not included in Mid-Term Agreement MT-4, but not to produce a job evaluation or ranking system.

The committee will commence its work within one month after the settling of the 1972 Collective Agreement and shall meet regularly until the task is completed.

4. **Limits of Authority:** The committee shall work within the recommendations, preamble and occupational format agreed to previously.

The results of this committee's activity shall be subject to acceptance and ratification by the Union and the Company at the negotiating level.

5. A copy of all occupational definitions will be made available to each employee through his/her contact supervisor.
6. The Joint Trades Classification Committee shall ensure that duties for trades jobs are defined. Their focus will be on the development of documents describing job duties, and will not consider or establish compensation for these jobs. There is a need for direct line management involvement to determine current and future duties. The Committee should also work towards developing a system which will allow definitions/documents to be produced quickly and easily to facilitate responsiveness to changing needs.

25.4 Joint Diversity Committee

1. **Objectives:** (a) To provide a joint forum for work on Corporate Employment Equity, Human Rights and Diversity policies, and/or associated Corporate issues. (b) To participate in making and bringing forward recommendations and providing advice to the Vice-President, Corporate Human Resources on Corporate policies and plans impacting on equity in the workplace and Corporate issues arising from the Employment Systems Review. (c) To participate in making and bringing forward recommendations to the PWU Executive on equity issues in the workplace which fall within their jurisdiction.
2. **Personnel:** The committee will be structured to provide two Company representatives and two Union representatives. Each party is entitled to one alternate.
3. **Function:**
 - 3.1 Meet and exchange information regularly to ensure that the committee is informed of progress on initiatives undertaken by the Corporation and the Union. Each party will identify and bring forward emerging Corporate issues for discussion.
 - 3.2 The committee will work together to formulate recommendations by:
 - (a) Working to meet the work program deliverables as identified below within required timelines.
 - (b) Discussing options and their impacts in meeting the work program deliverables (including obtaining input through consultative forums – see below).
 - (c) Attempting to agree on recommendations acceptable to all parties and for delivery to the Vice-President, Human Resources and/or the PWU Executive where appropriate.
 - 3.3 Where agreement cannot be achieved, each party will communicate expeditiously their position to the Vice-President, Human Resources before Corporate decisions are made.
4. **Work Program** – to be established annually.
5. **Responsibilities:**
 - 5.1 **Consultative Forum** – To provide input to the committee on work program deliverables as follows:

- (a) Management members will ensure input is received from line management and non-represented staff members.
 - (b) The Union members will ensure input is received from their constituencies.
 - (c) The committee will also seek input from advocacy groups and designated group members on issues as required.
- 5.2 **Support Resources** – Committee to determine needs (administrative, research, preparation, etc.) and arrange as required. Treatment will be as per the collective agreement.
- 5.3 Management is responsible for time and expenses, except for union staff time, associated with the work program of this team.
- 5.4 At the end of each year, the parties will review the Terms of Reference and make recommendations for the coming year.

25.5 EHB/WSIB/LTD Committee

The Committee would be comprised of:
 Power Workers' Union
 Health Services & Rehabilitation
 Compensation and Benefits Department

- A. To review existing and future LTD applications to ensure they are receiving the required medical attention and the possibility of returning them to the workforce.

Terms of Reference:

- 1.0 Develop a questionnaire for employees not in receipt of CPP disability.
- 2.0 Review returned questionnaires to determine if any employees can be placed on immediate vocational rehabilitation.
- 3.0 Determine if an independent medical evaluation is required before attempting vocational rehabilitation.
- 4.0 Review existing procedure for LTD applications.
- 5.0 Develop a roster of physicians to use in the process.
- 6.0 Forward recommendations for process improvements to Director, Compensation and Benefits/Chief Physician.

- B. Review/Update – To meet, on a regular basis (e.g. semi-annually), to discuss and/or resolve issues associated with the following processes:
- (a) Long Term Disability
 - (b) WSIB
 - (c) Sick Leave
 - (d) Drug Formulary

25.6 Joint Employee and Family Assistance Committee

1. **Goal:** Provide recommendations to assist the Company and the Union in the development, implementation and evaluation of employee and family assistance policy and programs.

2. **Personnel:**

- (a) Chair: The Chair shall rotate on a yearly basis.
- (b) Members:
 - Representative from the Company
 - Two (2) PWU representatives and one staff advisor.
- (c) Secretary: The secretary shall be supplied by the Company.

3. **Function:**

- 3.1 Participate in the identification of problems and issues of significance in employee and family assistance policy and practices.
- 3.2 Participate in the development, promotion and implementation of employee and family assistance programs throughout the province.
- 3.3 On an ongoing basis study, develop and make recommendations for change to the Company employee and family assistance program. This function can be delegated to the sub-committee by mutual agreement.
- 3.4 The committee will normally attempt to resolve issues of mutual interest before seeking intervention by the Senior Joint Union/Management Committee.

25.7 Controller/Dispatcher Consultative Committee

The Controller/Dispatcher Consultative Committee, established in 1954, shall continue to act under the following terms:

1. Personnel:

Maximum of three appointees from each party.

2. Function:

To act as a liaison between the Company and the employees in the field for the purpose of exchanging information relating to changing conditions as they affect controller/dispatchers.

To discuss mutual operating problems of a general nature which arise from time to time.

Any program developed by the Company to establish standards of qualifications for operating positions will be a matter of Union advisement as to progress and discussion.

The committee may be convened at approximately three-month intervals to deal with agenda submitted by either the Union or the Company and acceptable to both parties as being within the scope of the committee's function.

3. Limits of Authority:

It is understood that this committee will meet to discuss general operating problems of common interest to the Union and the Company and shall not have bargaining power or authority to amend existing policy, or interpret collective agreements. Any recommendations which arise as a result of discussions shall be presented separately to the Union and to the Company by their respective members.

26.0 DISTRIBUTION OF AGREEMENT AND WAGE SCHEDULES

This Agreement shall be printed as soon as practicable after the date of signing and made available by the Company to the Union in sufficient quantities for distribution to its membership.

27.0 TIME CHARGES – UNION ACTIVITIES

27.1 Time Charges and Expenses – Union Representatives

Time off and expenses for Union officers will be granted in accordance with Mid-Term Agreement MT-3.

27.2 Time Charges for Employees On Union Business

When the time of employees on Union business is payable by the Union, such time shall be charged at normal rates of pay. The normal payroll burden without the administration charge of ten percent (10%) will be applicable only for Union releases in excess of five consecutive days.

27.3 Roles and Responsibilities of Chief Stewards

As Hydro One Inc. evolves into the new regulated and competitive marketplaces, it is important that the Company leverages its position by defining as clearly as possible Principles to anchor the relationship between the elected PWU representatives and Management.

(i.) Mutual Recognition of Respective Roles and Responsibilities

- A recognition that the Chief Stewards provide an important role in the success of the Company.
- A recognition that Chief Stewards are Hydro One employees as well as PWU representatives.
- As time away from the job increases, loss of skills may be an issue. As such, the Company will provide reasonable re-training to replenish these skills.
- It is recognized that there will be differences between the Parties. In these cases, respective opinions can be expressed, however, they should be communicated in a professional manner.

(ii.) Chief Stewards are accountable for their time.

- It is understood that Chief Stewards will be required to be away from their Company job.
- Time away from the job will be dependent upon the Chief Stewards' specific issues, number of committees, size of membership, geographical factors, etc.
- Chief Stewards have an identified supervisor. As in any employee-supervisory relationships, the Chief Steward will advise their supervisor as to what activities they will be involved in, in generic terms (some issues are confidential). They will have vacation days approved and sick days reported.
- Chief Stewards should schedule their PWU activities with consideration for their Company job. Any unallocated time will be spent performing their Company job.

(iii.) Chief Stewards play an important role in Communication.

- Where feasible, joint communications are encouraged for initiatives that affect PWU employees.
- Joint training is encouraged in roll-out initiatives that impact PWU employees (e.g. Gainsharing, collective bargaining roll-out).
- Consistent messages are important.
- There will be a need to review these principles.

28.0 EYE PROTECTION

Approved eye protection shall be supplied to individual prescription to all employees who normally wear glasses and are required to wear eye protection for an appreciable amount of time in the performance of their duties.

29.0 PERSONAL TOOLS

29.1 General

Employees in trade categories and designated weekly-salaried categories will provide at their own expense, the ordinary hand tools of the trade. These tools are listed in the appropriate occupational definition/job document and must be of at least industrial quality, which permits employees to perform their work safely, efficiently and to the standard ordinarily demanded in any given trade. (Owing to the marked differences in the nature of work performed by employees who are classified in the same trade category, it is unreasonable to expect a tradesperson to possess or have on the job, every tool listed for his/her trade. Learners and Improvers must acquire any of the tools listed as and when his/her work demands their use. Employees are encouraged to buy tools which carry a lifetime guarantee.) Tools which are required for equipment of special types, which are peculiar to certain locations as well as tools that fall in the class of shop equipment, will be supplied and maintained by the Company. These, and similar types of tools, have been purposely omitted from the lists.

29.2 Tool Replacement/Upgrading

Each employee, as described in, 29.1 will be allowed 8% of the personal tool list retail price calculation per calendar year for tool replacement or upgrading (metric tools included as upgrades) based on his own tool list as defined in the Occupational Definition. A minimum allowance of \$50.00 per year for each employee in each classification is available. For those entitled to the minimum allowance of \$50.00, the unused portion for one year may be carried forward to the following year to a maximum of \$50.00.

To qualify for any reimbursement receipts must be accumulated and submitted for amounts in excess of \$50.00. For amounts of less than \$50.00 these receipts should be submitted at the end of the year.

29.3 Loss by Fire or Theft

Personal tools which are stolen, are destroyed or damaged by fire to an extent which renders them unusable, will be replaced by the Company. These losses must be incurred in the exercise of Company business and on Company property, except where they occur on or at non-Company locations in the exercise of Company business. Small or inconsequential losses would be recovered through 29.2.

30.0 SPECIAL CLOTHING FOR EMPLOYEES

30.1 General Policy Regarding Work Clothing

Except where provided by the Company in accordance with this Collective Agreement, employees must provide at their own expense suitable clothing for the performance of their regular duties. In general, clothing must be suitable for the safe and efficient performance of the work but need not be uniform in appearance.

So far as is consistent with standard stores' policy, the Company will purchase certain types of work clothing in bulk for resale on the most favourable terms possible to employees requiring them in connection with Company work.

30.2 Special Clothing That May Be Provided at Company Expense

Subject to certain conditions outlined herein, special clothing may be obtained at the expense of the Company for issuance to employees under the following conditions:

30.2.1 Where Uniform Appearance is Required

Where uniform appearance is required by the Company as in the case of certain receptionists, guides, messengers, drivers, and security guards uniforms will be provided.

30.2.2 For Work Outside of the Employee's Regular Routine Duties

A limited number of rainproof coats and hats may be obtained and kept available at construction headquarters, attended stations, etc., for persons who normally work indoors but who are occasionally required to work out of doors under adverse weather conditions, as for example when working during emergencies, operating switches, cleaning racks, etc.

Clothing supplied at stations should be limited to one or two coats and hats, depending upon the number of employees.

30.2.3 For Normal Work Which Must be Performed Occasionally, Under Extreme Conditions

Hip or knee length rubber boots and weatherproof coats and hats may be obtained and issued temporarily to construction workers, maintenance workers, and labourers when required to work in extremely wet locations or under adverse weather conditions.

One or two rainproof coats and hats, depending upon the number of employees involved, may be provided for each line, forestry and maintenance

truck or gang for use in emergencies when workers could not be reasonably expected to have protective clothing available at all times.

30.2.4 For Work Involving Exposure to Materials that are Injurious to Health and Particularly Destructive of Clothing

Rubber boots, aprons and gloves of an approved material may be provided for employees when handling acids for batteries, cleaning transformer coils or for other work which is similarly destructive of clothing.

Aprons, gloves and sleeves made of plastic, plastic-coated or other approved material may be provided for employees who are required to handle creosote, creosoted poles or timber as a protection against burns or damage to clothing.

Protective clothing such as coveralls, gloves and rubber boots may be provided for temporary issuance to employees for use when applying herbicides.

Because of the fire hazard in welding and the destructive nature of the work, welders' aprons, armllets and gauntlets may be provided.

30.2.5 To Promote Safety

Safety headgear, eye protection, rubber gloves (electrical), and similar items which are designed exclusively for the safety of employees and the wearing of which is made obligatory on certain types of work, will be provided by the Company.

Special footwear will be provided for the safety of workers when required to work near forebays, sluices, etc., under icy, slippery or otherwise hazardous conditions.

Safety Footwear and Clothing:

I Effective January 1, **2014**, employees who are required by the Company to wear safety footwear (CSA Approved ESR)/ clothing will be reimbursed **for actual expenses** as follows:

- (A) For those employees required to regularly wear climbing spurs or who are regularly required to climb steel structures as part of their normal duties – **up to a maximum of \$400.00** per year.
- (B) For those employees who choose or are required to wear CSA approved ESR protective footwear – **up to a maximum of \$275.00** per year.

- (C) For those employees who choose not to wear approved ESR protective footwear – \$150.00 per year.
- (D) ***In order to be eligible for reimbursement employees who qualify must submit appropriate supporting documentation/receipts.***

II Employees who are not required to wear protective footwear:

Employees who purchase safety footwear will be reimbursed thirty-three and one-third percent (33-1/3%) of the actual cost up to a maximum reimbursement of \$20.00 per pair subject to the approval of the appropriate manager or supervisor.

NOTE

Temporary employees will be reimbursed for a maximum of one pair in each six-month period.

A limit of two pairs of safety shoes or boots per person will be subsidized in a calendar year.

These actual cost maximums include applicable taxes.

III Refer to Mid-Term Agreement MT-61 for payments associated with Flame and Arc Resistant Clothing.

30.2.6 Special Conditions

Requests for items of clothing not mentioned but which might be reasonably supplied under the conditions set forth herein will be considered, each case on its own merits.

30.3 Issuance, Care of, and Responsibility for Clothing Provided by the Company

In order that the use obtained from clothing purchased by the Company may justify the expenditure, the following shall be carefully observed:

1. Except in isolated cases, special clothing must not be issued to any one employee for exclusive use but must be kept available for any employee who may require it for Company purposes mentioned herein.
2. When no longer required on the job, clothing must be promptly returned to local headquarters, station or truck where it will be readily available when required.
3. All clothing furnished by the Company will remain the property of the Company and must be clearly and prominently marked for easy identification.

4. Where loss or destruction of Company clothing issued to an employee occurs as a result of carelessness on the part of the employee, the employee will be required to make good such loss.

30.4 Part B Employees (Maintenance Trades)

30.4.1 Issue of Gloves to Tradespersons

The Company will issue gloves to regional maintainer – lines, regional maintainer – forestry, SMD riggers, mechanical maintenance and building maintenance crews and all associated personnel regularly working with these crews, subject to the following:

1. The employee will be required to purchase the first pair of gloves, whether summer or winter type, providing he/she has not already been participating.
2. The issue of new gloves will be controlled by the supervisor.
3. A pair of worn-out gloves may be exchanged for a new pair.
4. The Union will exercise its influence to promote economy in the operation of this plan.

30.4.2 Uniforms

The Company shall supply uniforms, where they are required to be worn, at no cost to the employee.

30.4.3 Stocking of Overalls and Associated Smocks

The Company will stock bib-type overalls, coveralls and associated smocks in Central Stores which will be available for purchase by employees on the basis of a cash sale.

30.4.4 Work Clothing

Automotive Trades and Painters: The Company will pay for laundry service to clean coveralls. Responsibility for ensuring proper use of the privilege will rest with the Union.

The plan is as follows:

1. Coveralls will be provided by the tradespersons.
2. One pair of coveralls per employee per week will be laundered.
3. The trades covered by this service are:
 - (a) Automotive Trades – auto, truck diesel or industrial equipment mechanics, body and metal mechanics, tire serviceworkers, painters, radiator repairworkers, battery

rebuilders, lubricators, undercoaters, steam cleaners, washers.

- (b) Trade Group III – painters.

Forestry Spray Crews: Forestry spray crews shall, during the period of spraying operations, be with supplied laundered coveralls or other suitable clothing on a weekly basis or more frequently as may be required. Arrangements shall also be made to provide adequate washing facilities.

30.4.4.1 Laundering and/or Supplying Clothing

In situations other than those covered in the preceding subsections, when the supervisor in charge of a work crew deems a specific job dirty for the particular trade function, he/she shall either:

1. Authorize laundering of the employee's work clothing, or
2. Issue coveralls or other suitable clothing during the period in which this job is being performed.

30.4.4.2 Coveralls – Central Services Division

The provisions of this item supersede the conditions as noted in Item 30.4.4.1 and applies only to employees, paid from Wage Schedules 25 and 27, who form part of the Central Services Division and are located at the Hydro One Inc. Kipling Complex.

The Company agrees to supply and launder two (2) pairs of coveralls per week for each of the above-noted employees. The employee must exercise reasonable care in the use of clothing so supplied.

It is recognized that reasonable but limited quantity and size range of spare coveralls will be kept available for emergencies.

31.0 PURCHASING PRIVILEGES – SURPLUS EQUIPMENT STORES

Employees shall have purchasing privileges at Surplus Equipment and Material Stores to the same limit as extended to the general public.

32.0 RETURN OF COMPANY PROPERTY

It is agreed that employees whose employment terminates with the Company shall be responsible for the return of any Company property issued to them during the term of their employment. Failure to return such property shall result in the Company deducting its current value from any monies owing to the employees.

33.0 TIME CHANGE – SHIFT WORKERS

When the clocks are changed due to daylight saving time, the following principles will apply:

1. Employees who are scheduled to work during the affected hours will work a shift which is either shortened or extended by one hour.
2. Payment for the shortened or extended shift will not be calculated on the basis of actual hours worked, rather will be based on the number of hours normally worked (eight or twelve).

34.0 REST PERIODS

Each employee shall be entitled to a 10 minute rest period in the first half and second half of each scheduled work day at a time designated by the Company.

35.0 BI-WEEKLY PAY DAYS

1. Salaries and wages of all employees throughout the Company covered by this Agreement shall be once every week on the third Thursday following completion of the pay period, effective with the implementation of bi-weekly pay, once every two weeks. This payment will be by direct deposit to one account designated by the employee in a Canadian financial institution with a Canadian Payment Association (CPA) serviceability code of 1 or 2. (CPA serviceability code definitions in effect June 5, 1991 or subsequent code numbers providing equivalent accessibility). The Company is responsible for the cost of depositing these funds to the employee's account.

The implementation of direct deposit pay will be phased in for PWU members. It is the responsibility of the employee to inform the Company of any changes to the designated account 14 days in advance of the payment date. Any errors in employee payment that result from employee provision of incorrect account information or the late provision of changed account information are solely the responsibility of the employee.

2. Existing employees who were paid the equivalent of one week's base pay during the transition from weekly pay to weekly direct deposit pay will have the amount of this one week payment deducted from their final payment of salaries and wages from the Company (i.e., termination, retirement, etc.)

36.0 BANKING OF REDUCED HOURS OF WORK DAYS AND VACATION DAYS TO BE UTILIZED IMMEDIATELY PRIOR TO RETIREMENT

1. Employees who have earned time off under Part A Item 16.0 (Reduced Hours of Work for Employees Whose Normal Hours of Work are 40 Per Week) shall be eligible to bank up to 6.5 days per year to be utilized immediately prior to retirement.
2. Employees who are eligible for 25 days or greater vacation shall be eligible to bank up to 6.5 days per year to be utilized immediately prior to retirement.
3. The sum of days banked under items 1 and 2 above shall not exceed 6.5 days per year. Employees are eligible to bank a maximum of 30 weeks (150 days).
4. Employees must provide a minimum four months notice to schedule these dates. The employee will retire once these days have been utilized.
5. These days are not eligible for cash payout except in circumstances beyond the employee's control (e.g. LTD, Death, W.S.I.B.).

37.0 SELF-FUNDED SABBATICALS

Definition

“Self-funded sabbaticals” means an approved arrangement where an employee works regularly scheduled hours while receiving eighty percent (80%) of his/her base salary for each of four years. In the fifth year, the employee is granted a leave of absence for one year, funded by the accumulated deferred pay.

Approvals

Hydro One will approve an employee's application for a self funded sabbatical where it determines that this arrangement will benefit the business and can be accommodated without adversely impacting the viability of his/her work unit.

Terms and Conditions of Self-funded Sabbaticals

The Salary holdback (i.e. twenty percent for four years) will be kept in a special account and interest will be paid annually at an appropriate rate fixed by Hydro One.

During the leave of absence (i.e. the fifth year):

- The employee may not be declared surplus.

- The employee is responsible for his/her health and dental benefits and shall be given the option of continuing coverage under the Hydro One plan through pre-payment.
- The employee's entitlement to group life, living benefit and spousal life insurance benefits shall continue pursuant to Part A, Item 14.0.
- Hydro One shall pay the sum accumulated in the trust to the participating employee in a lump sum or in regular installments.

As a condition of approving a self-funded sabbatical arrangement, Hydro One may require the participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed the length of the leave (i.e. maximum one year).

Treatment of Employee Upon Return from Leave

Upon completion of the leave the employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full (i.e. 100%) base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service, as the case may be.

Upon completion of the leave, where the employee's pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.

Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.

In the event Article 11 is triggered during or upon completion of the leave, subject to the other provisions in this Article, the participating employee will be redeployed in accordance with that Article.

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NOTES

PART B
MAINTENANCE TRADES

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**PART B
MAINTENANCE TRADES**

Specific Matters of Agreement

1.0 WAGES

Wage rates shall be in accordance with the wage schedules which are part of this Agreement.

2.0 STANDBY, SERVICE DUTY AND ON CALL

Employees may be placed, as required, outside of their regular working hours on any one of three types of special duty, depending on the nature of the anticipated work and the extent to which their freedom must be restricted, as follows:

2.1 Standby

Employees on standby shall remain at a specified point from which they shall be ready to proceed to their work location immediately upon receipt of instructions. Their freedom is restricted to the same degree as if they were being held at their regular work headquarters pending issuance of work instructions, and they are considered for all intents and purposes to be already on the job.

Any employee of the Company may be required to perform this type of service, for which payment will be made at the rate appropriate to the particular situation.

2.2 Service Duty

The work of employees on service duty is generally but not necessarily always confined to that of maintaining service to customers of areas, maintaining transmission circuits.

There are two types of service duty, namely, telephone answering service and trouble call service.

Telephone Answering Service: Telephone answering service applies to an employee who is required to remain available outside of normal office hours for the specific purpose of answering telephone calls in connection with customer service trouble, and to report this trouble to the appropriately delegated person(s). Where this type of service is required, it is allocated on a weekly basis and for each particular location must be equitably rotated among all suitably qualified members of the line staff, exclusive of non-working supervisors, except in cases when such personnel are not available. Under these circumstances, it shall be the Company's prerogative to detail any employees for service as required. Except in cases

of emergency an employee on telephone answering service duty shall not leave his/her telephone to perform other work.

Trouble Call Service: Trouble call service is that performed by an employee who is required to hold himself/herself readily available within a reasonable length of time outside of normally scheduled hours for dispatch to trouble clearing work generally. When required, one or more employees shall be delegated per area to trouble call service, on a weekly or weekend basis. Work so delegated in areas will be equitably rotated among all suitably qualified members of the line staff, exclusive of non-working supervisors. In addition to those delegated to trouble call service duty on a weekly basis, it may be found desirable from time to time to augment the number on trouble call service by additional delegation for periods of one day or more. When such action is necessary, employees will only be required to accept such duty against their wishes if sufficient volunteers cannot be obtained.

Special Hours of Work Provision (Lines):

Between May 1st and October 31st the employees referred to above in the Trouble Call Service provision may, with seven (7) days notice, have their hours of work established as follows:

- I. 12:00 hours to 20:00 hours Monday to Friday or,
- II. by mutual local agreement, 10:00 hours to 20:00 hours Monday to Thursday.

Such hours will be equitably rotated among all qualified employees, as per their on-call schedule.

These employees will not be required to work more than one (1) rotation of these hours in a four (4) week period.

These employees will eat on the job in the minimum amount of time. Such time will not be deducted from the employees' pay.

These employees will receive two (2) times the payment for service duty as described in Part 'B', Item 2.2.

These employees may be assigned work other than the trouble clearing work they normally perform. All hours worked outside of the 12:00 hours to 20:00 hours or the 10:00 hours to 20:00 hours will be compensated at two (2) times their base hourly rate.

Payment for Service Duty: The rate of pay for service duty of both types to be computed one half (1/2) hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. This rate includes payment for the use of the employee's telephone. An employee required to report for work while on trouble call service duty shall be paid for his/

her working time in accordance with the standard regulations governing overtime work, including the regulation governing work performed on a “short-call” basis.

2.3 On Call

On call is the term used to cover trouble call service performed by station maintenance personnel, Customer Service Representatives I, Customer Service Representatives, Cable Crew Trades Staff, and hourly rated mechanics and electricians in the Operation and Maintenance Section of the Workplace Services Division who, because of their limited numbers and the resultant increased frequency with which they are required to perform service duty, are allowed up to a maximum of two hours between the time they are called and the time when they report for work. In all other respects, including rates of payment, on-call and trouble call service are identical.

Subject to safe application, volunteers from Station Maintenance will be requested prior to the mandatory assignment of on call. Hourly rated mechanics and electricians in the Operation and Maintenance Section of the Workplace Services Division and Cable Crew Trades Staff will be assigned to on-call duty only if sufficient volunteers cannot be obtained. On-call duty by Customer Service Representatives I and Customer Service Representatives will be on a purely voluntary, individual basis.

2.4 When an employee is on service duty or on call a paging device will be supplied where such service is available and experience in that area has proven it will provide a reliable service.

3.0 TRAVELLING TIME TO AND FROM THE JOB

Hourly-rated employees shall travel from their headquarters to and from the job on Company time. The word “headquarters” shall be for the purpose of this item “where the employee normally reports for work”.

4.0 HEADQUARTERS

Headquarters, as referred to herein, means the building or point designated by the Company at which the employees are expected to report for work or to assemble for preparation for leaving for work at outside points. Employees moving from point to point, as in the case of regional maintainers – lines and forestry, may have temporary headquarters established at some hotel or boarding place or some garage at which the truck is kept and at which the employees are to assemble.

5.0 WELDERS

Welders who hold welder "A" certificates issued by the Company and who hold an identification card issued by the Ontario Ministry of Consumer and Commercial Relations and who are required to perform first class work shall be classified as welder "A" in group 01 of wage schedule for tradespersons. Welders who do not meet the requirements of welder "A" shall be classified as welder "B" in group 02 of wage schedule for tradespersons.

6.0 MARINE VESSELS

During normal scheduled hours, if an employee is called upon to operate a boat 7.92 m (26 feet) in length or more, he/she shall be paid the Boat Operator rate for 8 hours.

7.0 CARPENTER SPECIAL

Carpenters performing duties requiring a higher skill than those normally required of a journeyman carpenter such as cabinet making, model making, or the fabrication of scroll cases, will be classified as journeyman "AA" of trade group 02.

8.0 TRUCK DRIVERS' CLASSIFICATION

- Class I – Operates any vehicle or combination of vehicle and trailer with a Gross Vehicle Weight (GVW) of greater than 28,000 pounds (12,700 kg)
- Class II – Operates any vehicle or combination of vehicle and trailer with a GVW of greater than 9,000 pounds (4,082 kg) but not greater than 28,000 pounds (12,700 kg)

NOTE

Any Class II vehicle equipped with a hydraulic radial boom derrick or hydraulically operated articulated or telescopic aerial devices will be classified as Class I.

- Class III – Operates any vehicle or combination of vehicle and trailer with a GVW of greater than 5,000 pounds (2,268 kg) but not greater than 9,000 pounds (4,082 kg).

NOTE

Any Class III vehicle with a snowplow installed on it will be classified as Class II.

8.1 Truck Driver Classification Vacancies

In filling class I truck driver vacancies, the most senior class II truck driver in that region will be given the first opportunity.

In filling class II truck driver vacancies, the most senior class III truck driver in that area will be given the first opportunity.

Replacement of a vehicle by one of a different class or modifications due to the addition or removal of equipment which affects the truck classification shall not be deemed to create a vacancy or a surplus. When such replacement requires a change in the classification of the driver, the driver position shall be filled as follows:

1. When the position is upgraded, the most senior truck driver in the next lower classification in the area will be given the first opportunity, on a probationary basis, to reach an acceptable level of performance.
2. When the position is downgraded, the most junior truck driver in the classification affected, in the area, will be downgraded.

9.0 JOURNEYPERSON "AA"

A journeyperson tradesperson who is required to work at another trade requiring skills of a level equal to or greater than his/her own trade shall be entitled to journeyperson 'AA' rating for a minimum of eight hours.

If a journeyperson tradesperson receives the journeyperson 'AA' rate for any part of a day during 40 days or more in any calendar year, he/she will be appointed and paid as a journeyperson 'AA' for that entire calendar year.

If the journeyperson 'AA' rate is paid for more than 50% of a calendar year to the members of a crew, for a specific trade, one of the members of the crew will be appointed and paid as a journeyperson 'AA' for that entire calendar year.

Journeyperson "AA" will not be applicable to Regional Maintainer classifications.

10.0 APPRENTICES

Upon completion of their learner apprenticeship training, apprentices shall be entitled to all the benefits afforded a regular employee as outlined in Part 'A', Section 23.0.

11.0 CONTRACT MONITORING

Employees required to monitor the quantity, quality and/or safety of contractors work shall be paid five percent (5%) above the journeyperson rate of his/her trade. This rate will not be applicable to Regional Maintainer classifications.

12.0 SUPERVISORY RESPONSIBILITIES

Many factors are involved in trades supervision. The depth of involvement in these factors defines the level of supervision required. There are three levels of regular supervision within union jurisdiction. These are: union trades supervisor – level 3, union trades supervisor – level 2 and union trades supervisor – level 1. The responsibilities associated with each of these levels are set out in the “Trades Responsibilities and Supervisory Criteria” dated July 15, 1968, which is an appendix to this Agreement.

12.1 Tradesperson Responsibilities

A tradesperson is required to exercise judgment and control over his/her own actions so that the assigned work may be performed safely, efficiently, and effectively, and with consideration of its effect on others.

In a work situation, a journeyperson will be responsible only for his/her own work and the work and training of one apprentice or helper. However, for the purposes of training, a journeyperson may be required to teach trade skills of a specific task to more than one apprentice or journeyperson at one time. During such a teaching situation, the journeyperson is responsible, only, for the demonstration of trade skills and not for the work of the apprentices or journeyperson involved.

Related to the above, a “helper” is a person of lower classification than the tradesperson he/she is assisting; and “apprentice” is a person of lower classification than journeyperson progression in a trade.

12.2 Supervisory Responsibilities of a Union Trades Supervisor – Level 3

A union trades supervisor – level 3 supervises an assigned crew on specific jobs and does so for periods up to five days without face-to-face contact with his/her supervisor who will carry out the higher responsibilities of the job. Less frequent contact requires that the union trades supervisor – level 3 be paid at the appropriate supervisor rate. He/she performs physical work activities. This classification is paid at a rate which is eight percent (8%) above the journeyperson rate of his/her trade or eight percent (8%) above the journeyperson rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyperson “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.3 Supervisory Responsibilities of a Union Trades Supervisor – Level 2

A union trades supervisor – level 2 supervises staff on a continuing basis to carry out a given work program. He/she performs physical work activities. This classification is paid at a rate which is 17 percent (17%) above the journeyperson rate of his/her trade or 17 percent (17%) above the journeyperson rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyperson “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.4 Supervisory Responsibilities of a Union Trades Supervisor – Level 1

A union trades supervisor – level 1 performs the complete supervisory responsibilities over a trade staff. He/she performs physical work activities. This classification is paid at a rate which is 22 percent (22%) above the journeyperson rate of his/her trade or 22 percent (22%) above the journeyperson rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyperson “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.5 Supervisory Responsibilities of a Management Supervisor

A management supervisor’s responsibilities are of a supervisory nature as described in the Trades Responsibilities and Supervisory Criteria. Normally, they must not take the place of skilled workers. In the event that an emergency work condition arises, skilled help should be called in. However, where suitable skilled help is not available at the required time, supervisors are expected to perform whatever duties are necessary. The foregoing is not intended to prohibit the supervisor from using the tools of the trade for training purposes.

13.0 PAYMENT FOR TEMPORARY SUPERVISION

Overall supervision of a crew is provided by a supervisor and/or union trades supervisor – level 3 carrying out the appropriate responsibilities set out in 12.2 to 12.5. However, a crew may be assigned a task without a regular supervisor in attendance, in which case a temporary supervisor may be appointed. In such instances, any responsibility for supervision must be assigned, it cannot be assumed. When so assigned, the level of supervision to be performed and paid must be designated in accordance with Section 12.0, above.

Employees shall not be held accountable for more than journeyperson responsibilities that have not been assigned.

Where no regular supervisor is on a job the following shall apply:

1. Where a journeyperson is responsible for one helper or one apprentice, there shall be no payment for supervision.
2. Where two journeypersons are working together and each is responsible for his/her own work, there shall be no payment for supervision. However, where a journeyperson is held responsible for the work of another tradesperson, other than a helper, he/she shall be appointed and paid as a lead hand or union trades supervisor – level 3. A lead hand shall be paid for assigned responsibilities in excess of two hours per day, in which case he/she shall be paid five percent (5%) above the journeyperson rate of his/her trade, or five percent (5%) above the journeyperson rate of the highest trade supervised, whichever is greater, for a minimum of four hours, or the actual hours worked as a lead hand, whichever is greater. Lead hand responsibilities are as appended to the “Trades Responsibilities and Supervisory Criteria” document. Lead Hand rate will not be applicable to Regional Maintainer classifications.
3. Where a group of employees are working at a location on jobs which are independent of one another and planned by a supervisor so that no coordination of their activities is required, additional supervision will not be required.

Where the job is being performed by three or more employees, one of them shall be appointed and paid as a union trades supervisor – level 3 or level 2. In such cases if he/she supervises for more than two hours in a day he/she shall be paid the supervisor rate for a minimum of four hours or the actual hours he/she supervises, whichever is greater.

13.1 Schedule of Payment for Relief Supervision in an Established Position

The following schedule shows the rate to be paid for employees relieving a supervisor. The column figures represent the percentage to be paid above the basic journeyperson rate.

Classification Performed			
Regular Classification	Level 3 Supervisor	Level 2 Union or Management Supervisor	Level 1 Union or Management Supervisor
Journeyperson	8	17	22
Level 3 Supervisor		17	22
Level 2 Supervisor		17	22
Level 1 Supervisor			22

13.2 Payment for Supervision – Motorized Forestry Spray Operation

In the Company's motorized spraying operations, each work group, clearly separated, will be supervised by a qualified forestry tradesperson.

In all cases of such supervision, the concerned qualified forestry tradesperson shall be paid at least eight percent (8%) more than his/her existing rate, or of the rate of the highest tradesperson supervised, whichever is the greater.

13.3 Service Truck Supervision

1. When more than two employees constitute the work crew on a service truck, the person in charge shall be deemed to be providing supervision and shall be temporarily reclassified to the appropriate supervisory rate (union trades supervisor – level 3 or working supervisor).
2. Payment of a supervisory rate (union trades supervisor – level 3 or working supervisor) while in charge of a service truck will be based on the following:

If the total daily hours where supervision is provided are:

- (a) Less than one hour – no payment at supervisory rate.
- (b) One hour to four hours – four hours at the appropriate rate.
- (c) More than four hours – eight hours at the appropriate supervisory rate.

14.0 ADVERSE WEATHER

When in the Company's opinion the weather is unduly adverse, employees shall not normally be required to work outside and the following shall apply:

14.1 Regular Employees

Regular employees shall within normal scheduled hours be provided with inside work.

14.2 Regular-Seasonal Employees

Employees who have attained regular-seasonal status in accordance with Part 'A', Item 2.0, and continue to be employed on a seasonal basis shall be entitled to a half day's pay per day or pay for actual hours worked or held whichever is the greater, providing the employee reports for work.

14.3 Temporary Employees

Two hours' pay will be allowed when a temporary employee reports and is prepared to remain for two hours at his/her place of work and is prevented from working due to unduly adverse weather.

If a temporary employee is required to remain at his/her place of work longer than two hours, he/she shall be paid for all the time he/she is required to stay on the job.

15.0 POWERLINE GROUND ASSISTANTS, HANDYPERSONS AND LABOURERS PROHIBITED FROM CLIMBING

Powerline Ground Assistants, handypersons and labourers are prohibited from climbing poles, towers or structures used for transmitting electrical energy for the purpose of doing work which is properly the work of tradespersons.

This will not prohibit numbering poles or painting structures, which does not involve exposure to live equipment hazard.

16.0 MOBILE EQUIPMENT

The Company undertakes to continue the investigation of the problems connected with suitable mobile equipment for the transportation of employees and undertakes to get employees from headquarters to work and back without exposing them to undue physical danger and with reasonable protection from the weather.

17.0 REGIONAL MAINTAINER – ELECTRICAL TRAINING COURSE

Electrical tradespersons who are not specifically required to take the Regional Maintainer – Electrical Training Course may make application to attend and participate in the Conference and Training Facility portion of this course.

18.0 MEAL PROVISIONS

18.1 Conditions Governing Allowance for Meals

Recognizing the fact that employees are required to provide their own meals (except as in 18.2) the following conditions will apply:

1. The Company shall not require an employee to carry or provide more than one meal on a day when work is performed.
2. Wherever possible, supervisors shall notify employees who do not normally carry a lunch of the necessity to carry a lunch the following day.

3. If an employee is sent away from headquarters in an emergency without sufficient notice for him/her to provide and take his/her own lunch, the Company will pay the cost of the employee's noon day meal.
4. If an employee is required to continue working beyond a normal day, the Company will provide the employee's meal after two hours or more and every four hours thereafter while the employee continues working.
5. If an employee is required to work extended periods of overtime, Monday to Friday inclusive, the Company shall pay the cost of the employee's meal on approximately a four-hour interval basis.
6. If an employee is called out to work extended periods of overtime on Saturday, Sunday or statutory holidays without forewarning, the Company shall pay the cost of the employee's meal on approximately a four-hour interval basis. If forewarned, the employee shall carry or provide the first meal and the Company shall pay the cost of any further meals on approximately a four-hour interval basis.
7. When overtime has been scheduled in advance, a meal period will be allowed and no time will be paid for this period. When the overtime is not scheduled in advance, no time will be deducted if employees eat at the job site in a minimum of time.
8. In the conditions outlined in 3, 4, 5. and 6, the Company will either bring the meal to the employee or release him/her from duty long enough to secure and eat it. Where necessary, the Company will provide transportation for this purpose.
9. It is recognized that between the hours of midnight and normal starting time, it may not be feasible for the Company to provide a hot meal and the employee may not feel the need for one. In such cases, sandwiches and hot soup or a hot beverage shall be considered as fulfilling the requirement of a meal.

18.2 Winter Meal Provisions

In general, the winter months, for the purpose of this clause, shall cover the period of December 1st to March 31st for the areas south of the French River and the period November 1st to April 30th for areas north of the French River. However, if unseasonable weather is experienced any day during the two-week period immediately prior to the opening dates or subsequent to the closing dates, the supervisor in charge may, at his/her discretion, treat such days in the same manner as though they were included in the prescribed period.

During the winter months, if employees are required to work outdoors or in unheated buildings, subject to 3. hereunder, the Company will:

1. Provide means for carrying or storing the employee's lunches in some warm place and also provide where necessary, transportation for reaching some warm and suitable place for eating lunch. Such time involved in transportation both ways to be absorbed by the Company, thereby allowing the full meal period upon arrival, or
2. Supply or pay for a hot meal and provide transportation. The meal period's duration will be between the times of departure and re-arrival at the point of work and thus any time involved in transportation, both ways, is absorbed by the employee. Should the meal period be extended beyond its normal duration, any such excess will be absorbed by the employee by working equivalent overtime at straight time rates which will result in a total of normal daily hours of work and pay. This shall not preclude the providing of a meal when time involved is in excess of the normal meal period.
3. In some thinly-settled localities, there may be no warm place for storing or eating lunches, and no place where hot meals may be prepared within a reasonable distance from the point of work. Such conditions are beyond the Company's control and necessarily form part of the working conditions in that locality. In such cases, lunches must be carried but employees will eat on the job in a minimum period of time. Such time shall not be deducted and the conditions listed above do not apply.
4. Where it is mutually agreeable, employees will carry their lunch and will eat on the job in a minimum period of time. Where employees work in a group, the views of a minimum of 50% of the work group shall prevail and trigger this provision.

18.3 Extension of Lunch Periods

Where lunch periods are restricted to half an hour and when it has been demonstrated that it has been difficult for employees to get their lunch and return to the job within one-half hour, the Company may exercise its prerogative in extending the lunch period to a maximum of one hour, with the necessary adjustments to the working hours of the day.

19.0 RELIEF WORK, ACTING IN VACANCIES & TEMPORARY AND ROTATIONAL ASSIGNMENTS

19.1 Acting in Vacancies

All acting positions are to be limited to 90 days unless extensions are agreed to by the Company and the Chief Steward of the Union. Pending the arrival of the successful applicant and his/her assuming of the normal duties, the

acting incumbent who is performing the normal duties and responsibilities of an “acting” position shall receive the rate for the position.

19.2 Assignment to a Higher-rated Classification

An employee who is presently in the top step of his/her job when temporarily stepped up to work in a higher-rated classification, shall receive the top rate of that classification.

20.0 HOURS OF WORK

20.1 Hourly-Rated Employees

1. The normal work week for the Company’s hourly-rated trades employees shall be 40 hours per week consisting of five (5) days of eight (8) hours (not before 6:00 a.m. and not later than 6:00 p.m.), Monday to Friday inclusive.
2. A change to established hours of work within the core hours (6:00 a.m. to 6:00 p.m) shall be a matter for discussion between the Union (Chief Steward) and the Company. When changes in hours of work are contemplated the preference of 70% of affected staff in the classification(s) will be considered to be the preference of that classification(s). Where the work of classifications is interdependent (e.g., rehabilitation work, electrical, mechanical, civil), the preference of 70% of the employees in the interdependent classifications will be deemed to be the preference.

However, if in the Company’s opinion the desired hours of work of the affected classifications cannot be accommodated then the Company will provide the Union (Chief Steward) with written rationale for such a decision.

3. The normal work week for T&W-Field Mechanics shall be 40 hours per week consisting of five (5) days of eight (8) hours (not before 6:00 a.m. and no later than 8:00 p.m.), Monday to Friday inclusive. The start times for these employees may be adjusted within the window by Management with seven (7) days’ notice to the affected individuals. Such adjusted start times will be equitably rotated among all employees in the classification at the work site.

The Company may assign employees on a voluntary basis to work five (5) eight (8) hour days Monday to Friday ending no later than 12:00 a.m. These employees will be eligible for shift differential (Item 21.3 afternoon shift). An employee who is selected to an advertised vacancy for these hours will be deemed to have volunteered.

4. Excepting for shift work, all other work outside of the normally scheduled hours shall be considered overtime and paid for at the appropriate premium rates.

5. Switching Agents shall work between the hours of 0:00 and 8:00 Monday to Friday. Employees shall be eligible for shift differential (Item 21.3 night shift).

20.2 Weekly-Rated Employees

The normal work week for janitors and vehicle services attendants shall be 40 hours.

21.0 SHIFT WORK

Shift work may be established under the following conditions:

1. **Rehabilitation work:** Shift work for normal day workers may be established for major rehabilitation work (minimum of 10 working days confined to one unit) on frequency changers with rate capacity of 10,000 kV.A or more.
2. During abnormal or emergency conditions.
3. Conditions other than in 1 and 2 above require agreement by the appropriate Chief Steward.
4. The procedures for establishing shift work in accordance with 1, 2, and 3 above are as follows:
 - (a) Staff shall be assigned to the work for which the shift was established. Staff assigned to other work for a period of greater than one hour per shift shall be paid at two times the employee's normal base rate for the period worked in excess of one hour in that shift.
 - (b) Such rescheduling is not to be considered for the performing of ordinary routine maintenance except as described in Part 'B' Item 21.0 (3).
 - (c) In the case of abnormal or emergency conditions, three days' advance notice and, in the case of major rehabilitation work and other conditions as agreed to in Part 'B' Item 21.0 (3), seven days' advance notice of the commencement date shall be given to the employee by his/her supervisor. Shift shall commence on the day specified or within the following two days.

In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

If the appropriate advance notice of the commencement date has not been given, premium time shall be paid for all work

outside the normal scheduled hours until three or seven days have elapsed after notice has been given. If shifts do not commence on the specified days, nor within the following two days, actual commencement shall be considered a change in normal scheduled hours and subject to all the principles of establishing shift work.

- (d) Three-shift work for normal day workers shall be established for a minimum period of three days or more on an eight-hour shift basis commencing on any day in the week.
- (e) The appropriate premium rates shall be paid for work in excess of eight hours on a daily shift basis, Monday to Friday, inclusive.

The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.

- (f) Subject to the same notice and conditions for three-shift work, two-shift work may be introduced on either an eight hour or ten hour basis.

Shift work on a ten hour basis shall be established in accordance with Part 'B' Item 21.2.

- (g) Change in shift conforming with the preceding regulations shall be deemed to be a change in normal scheduled hours.
- (h) Shift work will be equitably rotated amongst qualified staff with each shift being rotated on a weekly or bi-weekly basis.
- (i) Prior to implementation of shift work, a schedule shall be posted and a copy shall be given to the appropriate steward stating the group, the reason for shift work and the estimated length of the work period involved.
- (j) Employees on shift work shall have a paid meal period and shall eat their meal during the shift hours as conditions permit.

21.1 Shift Work Central Maintenance Shop Pickering

Shift work may be established under the following conditions:

1.
 - (a) For short duration shifts (maximum three (3) consecutive weeks). No more than four (4) rotations onto these shifts may be worked by any individual in one (1) calendar year.
 - (b) During abnormal or emergency conditions.

- (c) Shift work for normal day workers may be established (minimum of 15 working days) confined to major project type work.
- (d) For other work as agreed to by the appropriate Union Chief Steward.

2. The procedures for establishing shift work in accordance with the above are as follows:

- (a) Staff shall be assigned to the work for which the shift was established. Staff assigned to other work for a period of greater than one hour per shift shall be paid at two times the employee's normal base rate for the period worked in excess of one hour in that shift. Premium pay shall not apply where such assigned other work is as a result of equipment breakdown, inspection delays, customer delays or material delays. Premium pay does not apply to situations where the work that was established for shift comes to a completion within the shift.
- (b) Such rescheduling is not to be considered for the performing of ordinary routine maintenance except as described in Part 'B', Item 21.1.1 (d).
- (c) In the case of conditions as described in Part 'B' – Item 21.1.1 (a and b), three (3) days' advance notice will be given. In all other conditions seven days' advance notice of the commencement date shall be given to the employees by his/her supervisor. Shifts shall commence on the day specified or within the following two days. In the case of illness which would result in a staff shortage, three (3) days' advance notice will be given when placing an employee on shift. If the appropriate advance notice of the commencement date has not been given, premium time shall be paid for all work outside the normal scheduled hours until seven days have elapsed after notice has been given. If shifts do not commence on the specified days nor within the following two days, actual commencement shall be considered a change in normal scheduled hours and subject to all the principles of establishing shift work.
- (d) Three-shift work for normal day workers shall be established for a minimum period of three days or more on an eight-hour shift basis commencing on any day in the week.
- (e) The appropriate premium rates shall be paid for work in excess of eight hours on a daily shift basis, Monday to Friday, inclusive.

- (f) The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.
- (g) Management will determine the number of hours to be covered by shift work.

Subject to the same notice and conditions for three-shift work, two-shift work may be introduced on either an eight hour basis. The preference of 70% of the affected staff for a particular shift schedule in the classification(s) will be considered to be the preference of the classification(s). The vote will be administered by the local Chief Steward.

Shift work on a ten hour basis shall be established in accordance with Part 'B' Item 21.2.

- (h) Change in shift conforming with the preceding regulations shall be deemed to be a change in normal scheduled hours.
- (i) Shift work will be equitably rotated amongst qualified staff with each shift being rotated on a weekly or bi-weekly basis.
- (j) Prior to implementation of shift work, a schedule shall be posted and a copy shall be given to the appropriate steward stating the group, the reason for shift work and the estimated length of the work period involved.
- (k) Employees on shift work shall have a paid meal period and shall eat their meal during the shift hours as conditions permit.

21.2 Ten-Hour Shift Provisions Maintenance Trades Staff

1. Applies to Maintenance Trades Staff assigned to shift work under Part 'B' Items 21.0 (1), 21.0 (2), 21.0 (3) and 21.1 of the Collective Agreement.
2. Ten hour shifts shall be implemented when it is mutually agreeable to Hydro One and 70% of affected staff. Where Hydro One deems there are reasons not to implement ten hour shifts, these reasons will be provided to the Union (Chief Steward).
3. The normal hours of work for non-time balanced ten hour shifts are 40 per pay week. Staff involved shall work ten hours per shift Monday, Tuesday, Wednesday and Thursday at straight time (banked two hours per day for total eight hours) which may be performed within the following shift windows:

1st shift – 06:00 hrs to 18:00 hrs

2nd shift – 14:00 hrs to 02:00 hrs

Shift Differential

1st shift – no shift differential

2nd shift – 64 cents per hour

Part 'B' Item 21.3 shall not apply to ten hour shifts.

4. The appropriate premium rates shall be paid for work in excess of ten hours per shift on a daily basis Monday to Thursday inclusive.

If it is necessary for employees to work on the Friday, it will be paid at one and one-half times the employee's basic rate for the first two hours worked and two times the employee's basic rate for all additional hours worked.

The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.

5. Ten hour shift provisions shall not apply to work weeks containing one or more statutory holidays.

6. For staff assigned to shift work under Part 'B' Item 21.0 (1), 21.0 (2) and 21.0 (3) all other provisions Part 'B' Item 21.0 except Part B, Item 21.0(1), 21.0(2) and 21.0(3) all other provisions of Part B, Item 21.0 except 21.0(4)(d), and 21.0(4)(e) shall apply to ten hour shifts.

7. For staff assigned to shift work under Part B, Item 21.1 all other provisions of Part B, Item 21.1 except 21.1(2)(d), 21.1(2)(e) and 21.1(2)(f) shall apply to ten hour shifts.

8. (a) The following items will be credited for pay purposes on an hour-for-hour basis. In the application of undernoted items – 1, 2, 3 and 4, a reference under the appropriate contract provision to "days" entitlement will mean eight (8) hours. Therefore a ten (10) hour shift will constitute one and a quarter (1.25) days deducted from credits.

- (1) Vacation
- (2) Floating Holiday
- (3) Sick Leave
- (4) Leave of Absence
- (5) Travelling Time Outside Normal Working Hours
- (6) Payment for Temporary Supervision
- (7) Time Charges and Expenses for employee Union Representatives

- (b) When an employee is scheduled to work a ten (10) hour shift and one of the undernoted conditions occurs, a “day” will be considered to be 10 hours:

- (1) Jury Duty
- (2) Funerals
- (3) Moving Day

21.3 Differential for Shift Work Tradespersons and Stationary Engineers

Shift differentials shall apply to employees required to work on a three-shift schedule or a two-shift schedule. The first part of a three-shift or a two-shift schedule shall begin at normal starting time.

A shift differential of 70 cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.

A shift differential of 1 dollar per hour shall be paid to employees who are scheduled to work between the hours of 0000 to 0800.

For Regular part-time and Temporary part-time employees, shift differential is not applicable when the shift starts and ends between the hours of 0700 and 1800.

The wage schedule rates for the following classifications are deemed to include full payment for the normal hours and days of work as shown in their schedule and shift differentials shall not apply:

Janitor ‘AA’

Janitor ‘A’

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment of shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential [see Subsection 21.0(4)(e)].

22.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

22.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours and is therefore, subject to compensation at premium rates.

22.2 Minimum Payments

All overtime performed, or reported for due to lack of notice of cancellation, shall result in a minimum payment of the greater of four hours at straight time pay or the actual time worked at the appropriate premium rate, except in the following circumstances:

1. Overtime arranged during normal working hours and worked as an extension before and/or after the employee's normal hours of work requires no minimum payment.
2. When short call-outs are repeated within one hour of the completion of a previous call-out for which the minimum was paid, no additional minimum payment is required.
3. For overtime call-outs occurring less than two hours before the commencement of normal starting time, the minimum will not apply and the appropriate premium rate will be paid continuously from call-out time until normal starting time.

22.3 Premium Payments

Premium payment for overtime which does not include shift work shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours after normal quitting time, Monday to Friday inclusive.
2. Two times the employee's basic rate shall be paid for:

All work performed outside of the first two clock hours after normal quitting time, Monday to Friday inclusive.

All work performed on Saturday, Sunday and statutory holidays.
3. When less than 48 hours' notice has been provided and an extra trip to the work location has been made to work overtime, time shall be counted from the time the employee leaves his/her home until he/she returns.

22.3.1 Overtime Cancellation Payments

All overtime cancelled within 48 hours of its scheduled commencement shall result in a cancellation payment of two hours at straight time rate except in the following circumstances:

1. Overtime arranged during normal scheduled hours as an extension to those normal scheduled hours requires no cancellation payments.

2. Overtime arranged as an extension before the normal hours of work requires no cancellation payment if cancelled with more than 16 hours' notice prior to its commencement.

22.4 Special Provisions Concerning Overtime

1. Because an employee was required to work overtime or because he/she lost time in changing shifts, he/she shall not be prevented from working his/her total number of normal daily hours in any normal scheduled day of work. If the employee cannot be supplied with the work required to make up the eight hours' work in that day, his/her pay shall be adjusted to provide a minimum of eight hours' work.
2. If an employee who has worked overtime is physically capable and the gang of which he/she is ordinarily a member is at work, he/she shall not be deprived of the opportunity of working his/her normal scheduled hours in addition to the overtime he/she may have worked.
3. An employee who has accumulated overtime hours shall receive this, in earnings, calculated at the appropriate premium rate and cannot be required to take time off in lieu of payment.
4. Employees who have worked overtime qualify for a rest period based on the following:
 1. An employee who is required to work continuously for more than 16 hours, or an employee who accumulates 16 hours of working time in any 24-hour period, shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should the employee be required to continue working beyond the above 16-hour work periods, the employee shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest period, and his/her right to continue work at straight time will be governed by Section 22.4(2), above.

2. An employee on day work who is required to work 4 but less than 6 accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to a 4 hour rest period.
3. An employee on day work who is required to work 6 or greater accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to an 8 hour rest period.
4. If the rest period in 2 and 3 above extends into the employee's normal scheduled hours of work, he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. Should the employee be required to continue working during normal scheduled hours, the employee shall be paid at two times his/her normal basic rate until the rest period is granted.
5. In computing overtime for hourly-rated employees on shift work, excluding stationary engineers, 4th class, one and one-half times the employee's basic rate shall be paid for all work performed during the two-hour period following the scheduled shift and two times the employee's basic rate shall be paid for all work performed during the 14-hour period prior to the start of the scheduled shift, Monday to Friday inclusive. All work performed on Saturday, Sunday and statutory holidays shall be paid at two times the employee's basic rate.
6. Overtime Weekly-Rated: The following trades weekly-rated classifications shall receive overtime in accordance with the "premium payments" section of Part B Item 22.3 for all work in excess of the indicated hours:
 - (a) In excess of eight hours in a day; janitorial staff and vehicle services attendants.

22.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

- (a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed during the first two clock hours after the normal quitting time of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours after the classification's normal quitting time.

and/or

- (b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours worked in a day. Two times the employee's basic rate for all work performed in excess of two hours in a day.

and/or

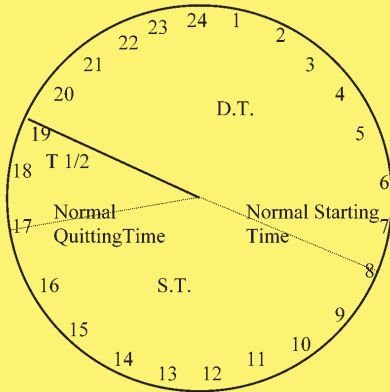
- (c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

22.6 Equivalent Time Off Without Pay

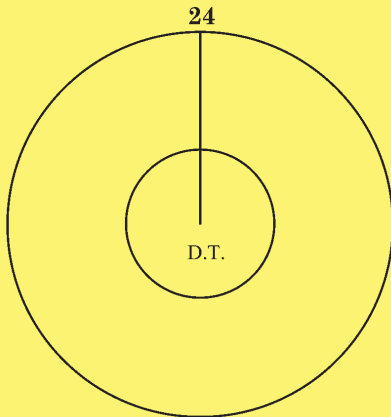
See Part 'A' Section 10.2

OVERTIME TABLE - HOURLY RATED EMPLOYEES

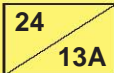
Monday to Friday



Saturday, Sunday, & Statutory Holiday



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HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES
 - Dollars per Hour

GRADE	TRADE	STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	UTS	SUPV
							LVL 3 STEP 7	LEVEL 2 STEP 8
01	Cameraperson, Litho Press Operator I		38.80	40.84	41.89		45.24	
04	Micrographic Worker II, Film Quality Inspector, Photocompositor I, Press Operator			33.74	35.86		38.73	41.96

Advancement through trade groups is not automatic.

All progressions shall be in accordance with Item 3 of Part A.

RULES OF APPLICATION

- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant.
- (2) Step 1 does not apply to the classification of Camerapersons.

Labour Relations
 Effective: April 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

<u>GRADE</u> <u>(GROUP)</u>	<u>TRADE</u>	<u>LEARNER</u>		<u>IMPROVER</u>			<u>JPER</u>		<u>JPER</u>	<u>UTS</u>	<u>UTS</u>
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>AA</u>	<u>LVL 3</u>	<u>LVL 3A</u>
01	Customer Service Representative 'A'; Electrician; Fitter Mechanic; Instrument Mechanic; Powerline Maintainer; Machinist; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A' Cable Splicer. (2), Switching Agent	23.60	26.66	27.53	29.50	31.46	35.40	39.33	41.30	42.48	
02	Building Mechanic; Carpenter; Crane Operator (Licensed) 20 tons and over; Forester; Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinsmith; Rigger; Welder B; Underground Cable Stakeout Person; Power Equipment Component Refinisher. (2)	22.82	24.73	26.63	28.63	31.19	34.46	38.04	39.94	41.06	
		<u>LEARNER</u>		<u>IMPROVER</u>		<u>JPER</u>	<u>(3A)</u>		<u>JPER</u>	<u>UTS</u>	<u>UTS</u>
03	Asst Mechanic; Crane Operator (licensed) 8 tons and under 20 tons; Customer Service Representative; Mechanic C (1); Meter Repairer; Painter; Tool & Equipment Repair Person. (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician I	22.27	24.64	27.00	31.37	36.39	36.80		38.21	39.30	39.74
		<u>LEARNER</u>		<u>IMPR</u>	<u>JPER</u>	<u>(4A)</u>			<u>JPER</u>	<u>UTS</u>	
04	Assistant Power Maintenance Electrician Crane Operator (Licensed) under 8 tons; Maintenance Worker; Meter Reader; Asst Cable Splicer. (3) Station Maintenance & Inspection; Meter Reader/Data Collector	22.30	24.67	27.03	34.74	38.83			36.48	37.52	
<u>GRADE</u>						<u>JPER AA</u>			<u>UTS LVL 3</u>		
<u>(GROUP)</u>	<u>TRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 6</u>				<u>STEP 7</u>		
05	Handyperson (4)	22.31	28.58	31.51	33.09				34.03		
06	Powerline Ground Assistant	28.60	30.22	31.78	33.37				34.32		
07	Powerline Maintainer Special (5)	36.39									
		<u>STEP 6</u>	<u>STEP 1</u>	<u>STEP 2</u>				<u>UTS</u>	<u>SUPV</u>		
08	Labourer (6)	22.31	25.77	28.63				30.92	LVL 2		
09	Summer Student (7)	17.01	18.43						LEVEL 2		
10	Meter Reader B	21.64	24.75						STEP 4		
11	Supervising Meter Reader; Supervising Meter Reader/Data Collector	39.95									

See Page 2 for Explanatory Notes

NOTES:

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyperson level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide Land Exterminator Class D1 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Data Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linepersons who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

NOTE: In the Trades' schedule, when an employee not at the maximum rate for his/her group is regraded, he/she will receive the rate of the corresponding year in the higher group and retain the same progression date.

All progressions shall be in accordance with Item 3 of Part A.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 26 - WORKING SUPERVISORS
 - Dollars per Hour

SCHEDULE 26

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	01	46.02	47.98
02	02	44.51	46.41
03	03	42.58	44.40
03	3A	43.06	44.90
04	04	40.65	42.38
05	05	38.87	38.44

SCHEDULE 27

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	11	48.57	50.54
02	12	44.52	46.42
03	13	42.58	44.40
04	14	40.62	42.36
05	15	34.67	36.15

SCHEDULE 28

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	21	49.70	51.83
02	22	46.73	48.73

NOTES:

These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 26, 27 and 28 and for union members who relieve in Trades Supervisory positions.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2 positions or union members relieving in Level 2 Trades Supervisory Positions. Rate is based on PWU Journeyman Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.17.

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1 positions or union members relieving in Level 1 Trades Supervisory Positions. Rate is based on PWU Journeyman Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.22.

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Labour Relations
 Effective: April 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 27 - MOTIVE POWER TRADES
 - Dollars per Hour

GRADE (GROUP)	TRADE	LEARNER				IMPROVER			JPER	AA	LVS
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9
01	Regional Field Mechanic; Transport & Work Equipment Mechanic (1)	24.91	26.98	29.06	31.13	33.21	35.28	37.36	39.43	41.51	44.83
07	Autobody Fabricator; Hydraulics & Automotive Machinist;	23.60	25.66	27.53	29.50	31.46	33.43	35.40	38.05	39.33	42.48
02	Regional Shop Mechanic Transport Mechanic; Work Equipment Mechanic; Auto Body Repairer (1)	22.83	24.73	26.64	28.54	31.20	33.48	36.77	38.05		41.09
03	Automotive Painter (2)	22.27	24.64	27.09	31.37	36.39					39.36
06	Fuel and Electrical Systems Mechanic (3)	22.27	24.64	27.00	31.37	36.39					39.30
04	Accessories Installer	22.39	24.72	27.05	34.72						37.50
05	Service Station Attendant	22.13	24.39	29.53							32.00

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyman level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyman level is reached.
- (3) For Trade Group 5 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyman level is reached.

Labour Relations
 Effective: April 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 28
REGIONAL MAINTAINERS
 - Dollars per Hour

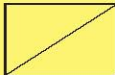
GRADE	TRADE	LEARNER			IMPROVER			REGIONAL MAINTAINER 2		REG MAIN 1	UTS LVL 3
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9
01	Regional Maintainer-Linos; Regional Maintainer - Electrical; Regional Maintainer - Mechanical; Regional Maintainer - Cable Splicer. Customer Service Representative - 1	23.60	26.56	27.53	29.50	31.46	36.40	39.33	40.90	42.48	45.88

GRADE	TRADE	LEARNER			IMPROVER			REGIONAL OR WSD MAIN 2		MAIN 1	UTS LVL 3
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9
02	Regional Maintainer - Civil; Regional Maintainer - Forestry;	22.82	24.73	26.63	28.53	31.19	34.46	38.04	38.94		43.14

NOTES:

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

All progressions shall be in accordance with Item 3 of Part A.



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
- DOLLARS PER WEEK

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>UTS</u> <u>LVL 3</u> <u>STEP 4</u>	<u>SUPV</u> <u>LEVEL 2</u> <u>STEP 5</u>
16	Janitor 'A'		1,083.12	1,183.74		1,278.44	1,384.98

This schedule is applicable to a 40-hour work week.

All progressions shall be in accordance with item 3 of Part A.

Labour Relations
Effective: April 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 32 - TRADES - SERVICES (HOURLY RATED)
 - Dollars per Hour

GRADE	TITLE	STEP 0*	STEP 1	STEP 2	STEP 3	UTS SUPV	
						LVL 3	LVL 2
		STEP 7	STEP 8				
04	Office Cleaner**	23.05				24.89	
09	Vehicle Services Attn	31.51					36.37
10	Truck Driver Class 3	29.40	30.75	31.51			
11	Truck Driver Class 2	30.76	31.67	32.62			
12	Truck Driver Class 1	31.55	32.93	34.48			
16	Stockkeeper Helper		29.58	31.06	32.22		
18	Stockhandler		30.75	32.11	33.03	35.67	38.65
19	Forklift Operator		31.43	32.81	33.76		39.60
21	Stockkeeper, Waste Co-Ordinator		35.02	36.02	36.75	39.69	43.00
30	Material Handler 'B'		30.75	32.11	33.03	35.67	38.65
31	Material Handler 'A'		31.43	32.81	33.76	36.46	39.50

* First increase six months after starting date.

** 27.5 hours per week.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: April 1, 2013



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES
- Dollars per Hour

<u>GRADE</u>	<u>TRADE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>UTS</u>	<u>SUPV</u>
							<u>LEVEL 1</u>	<u>LEVEL 2</u>
							<u>STEP 7</u>	<u>STEP 8</u>
01	Cameraperson, Litho Press Operator i		40.19	41.25	42.31		45.89	
04	Micrographic Worker II, Film Quality Inspector, Photocompositor i, Press Operator			34.08	36.22		39.12	42.38

Advancement through trade groups is not automatic.

All progressions shall be in accordance with Item 3 of Part A.

RULES OF APPLICATION

- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant.
- (2) Step 1 does not apply to the classification of Camerapersons.

Labour Relations
Effective: October 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

GRADE (GROUP)	TRADE	LEARNER		IMPROVER		JPER		JPER	UTS	UTS	
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	AA	LVL 3	LVL 3A
01	Customer Service Representative 'A'; Electrician; Filter Mechanic; Instrument Mechanic; Powerline Maintainer; Machinist; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A' Cable Splicer. (2), Switching Agent	23.83	25.82	27.80	29.79	31.78	35.75	39.72	41.71	42.90	
02	Building Mechanic; Carpenter; Crane Operator (Licensed) 20 tons and over; Forester; Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinsmith; Rigger; Welder B; Underground Cable Stakeout Person; Power Equipment Component Refinisher. (2)	23.05	24.97	26.89	28.82	31.60	34.81	38.42	40.34	41.49	
03	Asst Mechanic; Crane Operator (licensed) 8 tons and under 20 tons; Customer Service Representative; Mechanic C (1); Meter Repairer; Painter; Tool & Equipment Repair Person. (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician I	22.49	24.88	27.27	31.08	36.75	37.16		JPER AA	UTS LVL 3	UTS LVL 3A
04	Assistant Power Maintenance Electrician Crane Operator (Licensed) under 8 tons; Maintenance Worker; Meter Reader, Asst Cable Splicer. (3) Station Maintenance & Inspection; Meter Reader/Data Collector	22.63	24.91	27.30	35.09	36.19		JPER AA	UTS LVL 3		
05	Handyperson (4)	22.54	23.87	31.63	33.42				UTS LVL 3		
06	Powerline Ground Assistant	26.89	30.63	32.10	33.71				STEP 7		
07	Powerline Maintainer Special (5)	35.75								UTS LVL 3	SUPV LEVEL 2
08	Labourer (6)	22.54	26.03	28.92					STEP 3	STEP 4	
09	Summer Student (7)	17.18	18.61						31.23	33.64	
10	Meter Reader B	21.88	26.04								
11	Supervising Meter Reader; Supervising Meter Reader/Data Collector	40.35									

See Page 2 for Explanatory Notes

NOTES:

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until Journeyman level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyman level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide Land Exterminator Class 01 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Data Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linemen who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

NOTE: In the Trades' schedule, when an employee not at the maximum rate for his/her group is regraded, he/she will receive the rate of the corresponding year in the higher group and retain the same progression date.

All progressions shall be in accordance with Item 3 of Part A.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 26 - WORKING SUPERVISORS

- Dollars per Hour

SCHEDULE 25

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	01	46.47	48.48
02	02	44.95	46.87
03	03	43.00	44.84
03	3A	43.48	45.34
04	04	41.06	42.81
05	05	37.24	38.83

SCHEDULE 27

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	11	49.06	51.15
02	12	44.96	46.89
03	13	43.00	44.84
04	14	41.03	42.78
05	15	35.02	36.51

SCHEDULE 28

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	21	50.19	52.34
02	22	47.20	49.21

NOTES:

These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 25, 27 and 28 and for union members who relieve in Trades Supervisory positions.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2 positions or union members relieving in Level 2 Trades Supervisory Positions. Rate is based on PWU Journeyman Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.17.

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1 positions or union members relieving in Level 1 Trades Supervisory Positions. Rate is based on PWU Journeyman Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.22.

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Labour Relations

Effective: October 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 27 - MOTIVE POWER TRADES
 - Dollars per Hour

GRADE /GROUP	TRADE	<u>LEARNER</u>				<u>IMPROVER</u>				<u>JPER</u>	<u>AA</u>	<u>LVL 3</u>
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>STEP 8</u>	<u>STEP 9</u>	
01	Regional Field Mechanic; Transport & Work Equipment Mechanic (1)	25.16	27.25	29.35	31.45	33.64	35.64	37.74	39.83	41.93	45.28	
07	Autobody Fabricator; Hydraulics & Automotive Mechanist;	23.83	25.82	27.80	29.79	31.78	33.76	35.75	38.43	39.72	42.90	
02	Regional Shop Mechanic Transport Mechanic; Work Equipment Mechanic; Auto Body Repairer (1)	23.06	24.98	25.90	28.82	31.51	33.82	36.12	38.43		41.50	
03	Automotive Painter (2)	22.49	24.88	27.27	31.98	36.75					39.69	
08	Fuel and Electrical Systems Mechanic (3)	22.49	24.88	27.27	31.68	36.75					39.68	
04	Accessories Installer	22.82	24.97	27.32	35.07						37.98	
05	Service Station Attendant	22.36	24.53	29.93							32.32	

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 Jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyperson level is reached.
- (3) For Trade Group 6 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyperson level is reached.

Labour Relations
Effective: October 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 28
REGIONAL MAINTAINERS
 - Dollars per Hour

<u>GRADE</u>	<u>TRADE</u>	<u>LEARNER</u>			<u>IMPROVER</u>			<u>REGIONAL MAINTAINER 2</u>		<u>REG</u>	<u>UTS</u>
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>STEP 8</u>	<u>STEP 9</u>
01	Regional Maintainer-Lines; Regional Maintainer - Electrical; Regional Maintainer - Mechanical; Regional Maintainer - Cable Splicer. Customer Service Representative - I	23.83	25.82	27.80	29.79	31.78	35.75	39.72	41.31	42.90	48.33

	<u>LEARNER</u>			<u>IMPROVER</u>			<u>REGIONAL OR WSD</u>		<u>UTS</u>	
	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>STEP 8</u>	
02	Regional Maintainer - Civil; Regional Maintainer - Forestry;	23.05	24.97	26.89	28.82	31.50	34.81	38.42	40.34	43.57

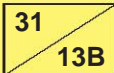
NOTES:

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations

Effective: October 1, 2012



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
- DOLLARS PER WEEK

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	UTS <u>LVL 3</u> <u>STEP 4</u>	SUPV <u>LEVEL 2</u> <u>STEP 5</u>
18	Janitor 'A'		1,093.88	1,195.58		1,291.23	1,398.83

This schedule is applicable to a 40-hour work week.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
Effective: October 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 32 - TRADES - SERVICES (HOURLY RATED)
 - Dollars per Hour

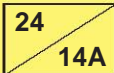
<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0*</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	UTS	SUPV
						<u>LVL 3</u>	<u>LVL 2</u>
						<u>STEP 7</u>	<u>STEP 8</u>
04	Office Cleaner**	23.28				25.14	
09	Vehicle Services Attn	31.83					37.24
10	Truck Driver Class 3	29.70	31.07	31.83			
11	Truck Driver Class 2	31.07	31.99	32.95			
12	Truck Driver Class 1	31.85	33.25	34.82			
16	Stockkeeper Helper	29.87	31.30	32.64			
18	Stockhandler	31.06	32.43	33.36	36.03	39.03	
19	Forklift Operator	31.75	33.15	34.10			39.00
21	Stockkeeper, Waste Co-Ordinator	35.38	36.38	37.12	40.09	43.43	
30	Material Handler 'B'	31.06	32.43	33.36	36.03	39.03	
31	Material Handler 'A'	31.75	33.15	34.10	36.83	39.90	

* First increase six months after starting date.

** 27.5 hours per week.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: October 1, 2013



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES
- Dollars per Hour

<u>GRADE</u>	<u>TRADE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>UTS.</u>	<u>SUPV.</u>	
							<u>LVL 3</u>	<u>LEVEL 4</u>	
							<u>STEP 7</u>	<u>STEP 8</u>	
01	Cameraperson, Litho Press Operator I		40.79	41.87	42.94		46.38		
04	Micrographic Worker II, Film Quality Inspector, Photocompositor I, Press Operator			34.59	36.76		39.70	43.01	

Advancement through trade groups is not automatic.

All progressions shall be in accordance with Item 3 of Part A.

RULES OF APPLICATION

- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant
- (2) Step 1 does not apply to the classification of Camerapersons.

Labour Relations
Effective: April 1, 2014



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

GRADE (GROUP)	TRADE	LEARNER			IMPROVER			JPER	JPER	UTS	UTS	
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	AA	LVL 3	LVL 3A	
01	Customer Service Representative 'A'; Electrician; Filter Mechanic; Instrument Mechanic; Powerline Maintainer; Machinist; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A' Cable Splicer. (2); Switching Agent	24.19	26.21	28.22	30.24	32.26	36.29	40.32	42.34	43.55		
02	Building Mechanic; Carpenter; Crane Operator (Licensed) 20 tons and over; Forester; Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinsmith; Rigger; Welder B; Underground Cable Stakeout Person; Power Equipment Component Refinisher. (2)	23.40	25.36	27.30	29.25	31.98	35.33	39.00	40.05	42.12		
03	Asst Mechanic; Crane Operator (Licensed) 6 tons and under 20 tons; Customer Service Representative; Mechanic C (1); Meter Repairer; Painter; Tool & Equipment Repair Person. (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician I	<u>LEARNER</u> 22.83	25.25	27.68	32.15	JPER 37.30	(3A) 37.71		JPER AA 39.17	UTS LVL 3 40.28	UTS LVL 3A 40.73	
04	Assistant Power Maintenance Electrician Crane Operator (Licensed) under 6 tons; Maintenance Worker; Meter Reader; Asst Cable Splicer. (3) Station Maintenance & Inspection; Meter Reader/Data Collector	<u>LEARNER</u> 22.87	25.29	<u>IMP'R</u> 27.71	JPER 35.62	(4A) 36.73		JPER AA 37.40	UTS LVL 3 38.47			
05	Handyperson (4)						JPER AA 32.31	UTS LVL 3 STEP 7 34.89				
06	Powerline Ground Assistant						32.58	34.21	35.19			
07	Powerline Maintainer Special (5)									UTS LVL 3 37.30	SUPV LEVEL 2 38.19	
08	Labourer (6)	<u>STEP 0</u> 22.88	<u>STEP 1</u> 26.42	<u>STEP 2</u> 29.35				<u>STEP 3</u> 31.70	<u>STEP 4</u> 34.34			
09	Summer Student (7)		17.44	18.89								
10	Meter Reader B		22.19	25.42								
11	Supervising Meter Reader; Supervising Meter Reader/Data Collector		40.95									

NOTES:

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until Journeyman level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyman level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide/Land Exterminator Class 01 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Data Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linemen who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

NOTE: In the Trades' schedule, when an employee not at the maximum rate for his/her group is regraded, he/she will receive the rate of the corresponding year in the higher group and retain the same progression date.

All progressions shall be in accordance with Item 3 of Part A.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 26 - WORKING SUPERVISORS

- Dollars per Hour

SCHEDULE 25

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	01	47.17	49.19
02	02	45.53	47.55
03	03	43.64	45.51
03	3A	44.12	46.01
04	04	41.58	43.46
05	05	37.80	39.42

SCHEDULE 27

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	11	49.80	51.92
02	12	45.54	47.59
03	13	43.64	45.51
04	14	41.88	43.43
05	15	35.54	37.06

SCHEDULE 28

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	21	50.95	53.13
02	22	47.91	49.96

NOTES:

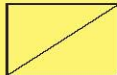
These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 25, 27 and 28 and for union members who relieve in Trades Supervisory positions.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2 positions or union members relieving in Level 2 Trades Supervisory Positions. Rate is based on PWU Journeyperson Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.17.

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1 positions or union members relieving in Level 1 Trades Supervisory Positions. Rate is based on PWU Journeyperson Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.22.

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Labour Relations
 Effective: April 1, 2014



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 27 - MOTIVE POWER TRADES

- Dollars per Hour

<u>GRADE</u> <u>GROUP</u>	<u>TRADE</u>	<u>LEARNER</u>				<u>IMPROVER</u>			<u>JPER</u>	<u>AA</u>	<u>LVL 3</u>
		<u>STEP 1</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>STEP 8</u>	<u>STEP 9</u>
01	Regional Field Mechanic; Transport & Work Equipment Mechanic (1)	25.54	27.66	29.79	31.92	34.05	36.16	38.30	40.43	42.56	45.96
07	Autobody Fabricator; Hydraulics & Automotive Machinist:	24.19	26.21	28.22	30.24	32.26	34.27	36.29	39.01	40.32	43.66
02	Regional Shop Mechanic Transport Mechanic; Work Equipment Mechanic; Auto Body Repairer (1)	<u>LEARNER</u>				<u>IMPROVER</u>			<u>JPER</u>		42.13
		23.41	25.36	27.31	29.26	31.88	34.33	36.67	39.01		
03	Automotive Painter (2)	<u>LEARNER</u>		<u>IMPROVER</u>		<u>JPER</u>					40.26
		22.83	25.25	27.68	32.15	37.30					
08	Fuel and Electrical Systems Mechanic (3)	22.83	25.25	27.68	32.15	37.30					40.26
04	Accessories Installer	<u>LEARNER</u>		<u>IMPR</u>	<u>JPER</u>						38.45
		22.96	25.35	27.73	36.60						
05	Service Station Attendant	<u>LRNR</u>	<u>IMPR</u>	<u>JPER</u>							32.81
		22.69	25.00	30.38							

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyman level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyman level is reached.
- (3) For Trade Group 6 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyman level is reached.

Labour Relations
Effective: April 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 28
REGIONAL MAINTAINERS
 - Dollars per Hour

<u>GRADE</u> <u>(GROUP)</u>	<u>GRADE</u>	<u>LEARNER</u>			<u>IMPROVER</u>			<u>REGIONAL MAINTAINER 2</u>		<u>REG</u>	<u>UTS</u>
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>MAIN 1</u>	<u>LVL 3</u>
01	Regional Maintainer-Lines; Regional Maintainer - Electrical; Regional Maintainer - Mechanical; Regional Maintainer - Cable Splicer. Customer Service Representative - I	24.19	26.21	28.22	30.24	32.26	36.29	40.32	41.93	43.56	47.03

		<u>LEARNER</u>			<u>IMPROVER</u>			<u>REGIONAL OR WSD</u>		<u>UTS</u>
		<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>LVL 3</u>
02	Regional Maintainer - Civil; Regional Maintainer - Forestry;	23.40	25.35	27.30	29.25	31.98	35.33	39.00	40.95	44.23

NOTES:

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

All progressions shall be in accordance with Item 3 of Part A.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
 - DOLLARS PER WEEK

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>UTS</u>	<u>SUPV</u>
						<u>LVL 3</u>	<u>LEVEL 2</u>
						<u>STEP 4</u>	<u>STEP 5</u>
16	Janitor 'A'		1,110.36	1,213.51		1,310.59	1,419.81

This schedule is applicable to a 40-hour work week.

All progressions shall be in accordance with item 3 of Part A.

Labour Relations
 Effective: April 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 32 - TRADES - SERVICES (HOURLY RATED)
 - Dollars per Hour

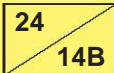
GRADE	TITLE						UTS	SUPV
		STEP 0*	STEP 1	STEP 2	STEP 3	STEP 7	STEP 8	
04	Office Cleaner**	23.83				25.82		
09	Vehicle Services Atttn	32.31					37.80	
10	Truck Driver Class 3	30.15	31.53	32.31				
11	Truck Driver Class 2	31.53	32.47	33.44				
12	Truck Driver Class 1	32.34	33.75	35.34				
16	Stockkeeper Helper		30.32	31.77	33.03			
18	Stockhandler		31.52	32.91	33.86	36.57	39.62	
19	Forklift Operator		32.22	33.64	34.61		40.49	
21	Stockkeeper, Waste Co-Ordinator		35.91	36.93	37.88	40.69	44.09	
30	Material Handler 'B'		31.52	32.91	33.86	36.57	39.62	
31	Material Handler 'A'		32.22	33.64	34.61	37.38	40.49	

* First increase six months after starting date.

** 27.5 hours per week.

All progressions shall be in accordance with item 3 of Part A.

Labour Relations
 Effective: April 1, 2014



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES
- Dollars per Hour

GRADE	TRADE	STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	UTS	SUPV
							LVL 3 STEP 7	LEVEL 2 STEP 8
01	Cameraperson, Litho Press Operator I		41.20	42.29	43.37		46.84	
04	Micrographic Worker II, Film Quality Inspector, Photocompositor I, Press Operator			34.94	37.13		40.10	43.44

Advancement through trade groups is not automatic.

All progressions shall be in accordance with Item 3 of Part A.

RULES OF APPLICATION

- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant.
- (2) Step 1 does not apply to the classification of Camerapersons.

Labour Relations
Effective: October 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

GRADE (GROUP)	TRADE	LEARNER		IMPROVER			JPER	JPER	UTS	UTS	
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9
01	Customer Service Representative 'A'; Electrician; Filter Mechanic; Instrument Mechanic; Powerline Maintainer; Mechanic; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A' Cable Splicer, (2), Switching Agent	24.43	26.47	26.59	30.54	32.58	36.65	40.72	42.76	43.98	
02	Building Mechanic; Carpenter; Crane Operator (Licensed) 20 tons and over; Forester; Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinmith; Rigger; Welder B; Underground Cable Stakeout Person; Power Equipment Component Refinisher, (2)	23.63	25.60	27.57	29.54	32.30	35.69	39.39	41.38	42.64	
03	Asst Mechanic; Crane Operator (licensed) 8 tons and under 20 tons; Customer Service Representative; Mechanic C (1); Meter Repairer; Painter; Tool & Equipment Repair Person, (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician 1	<u>LEARNER</u> 23.05	25.50	<u>IMPROVER</u> 27.95	32.47	<u>JPER</u> 37.57	<u>GA</u> 38.08	<u>JPER</u> 39.55	<u>UTS</u> 40.60	<u>UTS</u> 41.13	
04	Assistant Power Maintenance Electrician Crane Operator (Licensed) under 8 tons; Maintenance Worker; Meter Reader, Asst Cable Splicer, (3) Station Maintenance & Inspection; Meter Reader/Data Collector	<u>LEARNER</u> 23.10	25.55	<u>IMPR</u> 27.99	<u>JPER</u> 35.98	<u>GA</u> 37.10		<u>JPER</u> 37.78	<u>UTS</u> 38.96		
05	Handyperson (4)		23.10	29.60	32.63	34.26			35.24		
06	Powerline Ground Assistant		29.82	31.30	32.61	34.56			35.54		
07	Powerline Maintainer Special (5)		37.57								
08	Labourer (6)		<u>STEP 0</u> 23.10	<u>STEP 1</u> 26.83	<u>STEP 2</u> 29.64				<u>UTS</u> 32.01	<u>SUPV</u> LEVEL 2	
09	Summer Student (7)		17.61	19.08							
10	Meter Reader B			22.41	26.67						
11	Supervising Meter Reader; Supervising Meter Reader/Data Collector			41.38							

See Page 2 for Explanatory Notes

NOTES:

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 8-month intervals until step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyperson level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide Land Exterminator Class 01 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Dale Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linepersons who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

NOTE: In the Trades' schedule, when an employee not at the maximum rate for his/her group is regraded, he/she will receive the rate of the corresponding year in the higher group and retain the same progression date.

All progressions shall be in accordance with Item 3 of Part A.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 26 - WORKING SUPERVISORS

- Dollars per Hour

SCHEDULE 25

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	01	47.64	49.68
02	02	45.09	48.06
03	03	44.07	45.96
03	3A	44.55	46.46
04	04	42.10	43.90
05	05	38.18	39.81

SCHEDULE 27

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	11	58.30	52.45
02	12	46.10	48.07
03	13	44.07	45.96
04	14	42.07	43.87
05	15	36.90	37.43

SCHEDULE 28

<u>TRADE GROUP</u>	<u>GRADE</u>	<u>GROUP 1</u>	<u>GROUP 2</u>
		<u>STEP 1</u>	<u>STEP 2</u>
01	21	61.46	53.66
02	22	45.39	50.46

NOTES:

These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 25, 27 and 28 and for union members who relieve in Trades Supervisory positions.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2 positions or union members relieving in Level 2 Trades Supervisory Positions. Rate is based on PWU Journeyman Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.17.

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1 positions or union members relieving in Level 1 Trades Supervisory Positions. Rate is based on PWU Journeyman Rate, Regional Maintainer 1 Rate or WSD Civil Maintainer 1 Rate x 1.22.

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Labour Relations
 Effective: October 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 27 - MOTIVE POWER TRADES
 - Dollars per Hour

GRADE (GROUP)	TRADE	LEARNER				IMPROVER			JPER	AA	UTS LVL 3
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9
01	Regional Field Mechanic; Transport & Work Equipment Mechanic (f)	25.79	27.84	30.09	32.24	34.39	36.54	38.69	40.84	42.99	46.43
07	Autobody Fabricator; Hydraulics & Automotive Machinist;	24.43	26.47	28.50	30.54	32.58	34.61	36.65	39.40	40.72	43.96
02	Regional Shop Mechanic Transport Mechanic; Work Equipment Mechanic; Auto Body Repairer (f)	LEARNER				IMPROVER			JPER		42.55
		23.84	25.81	27.58	29.55	32.31	34.67	37.04	39.40		
03	Automotive Painter (2)	LEARNER	IMPROVER	JPER							40.58
		23.05	25.50	27.95	32.47	37.67					
06	Fuel and Electrical Systems Mechanic (3)	23.05	26.60	27.95	32.47	37.67					40.58
04	Accessories Installer	LEARNER	IMPR	JPER							38.84
		23.19	25.60	28.01	35.96						
05	Service Station Attendant	LRNR	IMPR	JPER							33.13
		22.92	26.26	30.68							

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyman level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyman level is reached.
- (3) For Trade Group 6 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyman level is reached.

Labour Relations
 Effective: October 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 28
REGIONAL MAINTAINERS
 - Dollars per Hour

GRADE (GROUP)	TRADE	LEARNER						REGIONAL		REG	UTS
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	MAINTAINER 2	MAIN 1	LVL 3	
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9
01	Regional Maintainer-Lines; Regional Maintainer - Electrical; Regional Maintainer - Mechanical; Regional Maintainer - Cable Splicer; Customer Service Representative - I	24.43	26.47	28.60	30.54	32.58	36.85	40.72	42.35	43.98	47.50
		LEARNER						REGIONAL OR WSD			UTS
		STEP 0	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7		LVL 3
02	Regional Maintainer - Civil; Regional Maintainer - Forestry;	23.63	25.60	27.57	29.54	32.30	35.89	39.39	41.36		44.67

NOTES:

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

All progressions shall be in accordance with item 3 of Part A.

Labour Relations
 Effective: October 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
 - DOLLARS PER WEEK

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>UTS</u>	<u>SUPV</u>
						<u>LVL 3</u>	<u>LEVEL 2</u>
						<u>STEP 4</u>	<u>STEP 5</u>
16	Janitor 'A'		1,121.47	1,225.65		1,323.70	1,434.01

This schedule is applicable to a 40-hour work week.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: October 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 32 - TRADES - SERVICES (HOURLY RATED)

- Dollars per Hour

GRADE	TITLE	STEP 0*	STEP 1	STEP 2	STEP 3	UTS SUPV	
						LVL 3	LVL 2
		STEP 0*	STEP 1	STEP 2	STEP 3	STEP 7	STEP 8
04	Office Cleaner**	23.87				25.78	
09	Vehicle Services Attn	32.63					38.18
10	Truck Driver Class 3	30.44	31.85	32.63			
11	Truck Driver Class 2	31.85	32.79	33.77			
12	Truck Driver Class 1	32.66	34.08	35.69			
16	Stockkeeper Helper		30.62	32.09	33.36		
18	Stockhandler		31.84	33.24	34.20	36.94	40.01
19	Forklift Operator		32.55	33.98	34.96		40.90
21	Stockkeeper, Waste Co-Ordinator		36.27	37.30	38.06	41.10	44.53
30	Material Handler 'B'		31.84	33.24	34.20	36.94	40.01
31	Material Handler 'A'		32.55	33.98	34.96	37.76	40.90

* First increase six months after starting date.

** 27.5 hours per week.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: October 1, 2014

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PART C
CONTROLLERS/DISPATCHERS/TRAINEEES

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PART C
CONTROLLERS/DISPATCHERS AND TRAINEES

Specific Matters of Agreement

1.0 WAGE RATES

Controllers/dispatchers and trainees will be paid on the basis of an hourly rate. Basic wage, shift bonus, and all premium time entitlement shall be at an hourly rate with balanced weekly payments of the basic wage.

Wage rates shall be in accordance with wage schedule 30 which is part of this Agreement.

2.0 CONTROLLERS/DISPATCHERS ORGANIZATIONAL STRUCTURE

2.1 Application

Refer to arbitration award HO-P-8, HO-P-10, HO-O-20 and HO-0-21, dated May 30, 2002, for a description of the controller/dispatcher organization structure.

2.2 Application of Controller/Dispatcher Organizational Structure

Where it is mutually recognized that a problem or problems exist regarding the application of the controller/dispatcher organizational structure, a meeting of the Union and the Company will be called to resolve these specific problems. However, individual problems regarding the interpretation and application of the method will be initially dealt with in the field between the employee and his/her supervisor.

3.0 SUPERVISORY DUTIES

Under normal circumstances controller/dispatcher/trainee's non- union supervisor's duties are of a supervisory nature. His/her principal responsibility is to guide and direct his/her staff in the safe and proper performance of their work. It is necessary for him/her to gauge the degree of supervision required by the employees under his/her direction. Normally, a non-union supervisor must not take the place of a controller/dispatcher.

In the event that an emergent condition arises, a controller/dispatcher must be called in. However, when such a controller/dispatcher is not immediately available, the non-union supervisor may perform whatever duties are necessary until the controller/dispatcher can report for duty.

4.0 ON CALL CONTROLLERS/DISPATCHERS/TRAINEES

On call is the term used to cover on-call service performed by controllers/dispatchers/trainees. While on call they are allowed up to a maximum of one (1) hour between the time they are called and the time when they report to work.

The rate of pay for on-call duty will be one-half hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short call basis.

On-call duty by controllers/dispatchers/trainees will be on a purely voluntary, individual basis.

5.0 MEAL PROVISIONS

5.1 Provision of Meals

In recognition of the importance of regular meals to an individual's health and effectiveness on the job, the Company will supply meals as outlined below and when required, will assign an employee to secure the meals.

- (a) Employees provide their own meals on regular days of work.
- (b) When an employee works overtime on a regular day off, he/she will be expected to provide one meal if 23 hours notice has been given.
- (c) When an employee works extension overtime before or after normal scheduled hours, all required meals will be provided by the Company. The first meal (or meal allowance) will be provided when two (2) hours of overtime are worked. Subsequent meals or meal allowances will be provided every four (4) hours of overtime worked thereafter.
- (d) When meals cannot be reasonably obtained¹, an allowance of \$15.00 per meal will be paid.

5.2 Meal Periods

- (a) Employees on day work shall take a meal period designated by the Company and shall not be paid for this time (unless otherwise provided for in the Collective Agreement).
- (b) Employees on shift work shall eat their meals during the shift hours as conditions permit.

¹ 'Reasonably obtained' is to be defined locally by Union and Management.

- (c) When an employee works extension overtime, no time shall be deducted for eating such meals where the employee eats the meal on the job and in a minimum of time.

6.0 RELIEF WORK, ACTING IN VACANCIES & TEMPORARY AND ROTATIONAL ASSIGNMENTS

6.1 Selection to/Acting in Vacancies

Selection to positions in the controller/dispatcher/trainee wage schedule to be made within 90 days after the vacancy is created providing there is a suitable applicant.

6.2 Relief Work In a Non-Union Position

1. When a controller/dispatcher is used to supply relief in a non-union supervisory position he/she shall receive five percent (5%) above their base rate. When a controller/dispatcher is used to supply relief in a higher rated non-union non-supervisory position he/she shall receive three percent (3%) above their base rate.
2. The entitlement of controllers/dispatchers for payment of vacation days at a relief rate as outlined in 1. above will be determined by the amount of relief provided during the period from January 1st to December 31st each year. If relief has been provided for 50 percent (50%) or more of this time in a higher position, all vacation days taken during this same period will be paid at the higher rate. Time worked after a permanent promotion to a higher position will not be counted towards the 50 percent (50%) credit.
3. When a controller/dispatcher relieves in a non-union position and he/she acquires a lieu day (statutory holiday), the lieu day shall be paid at the higher rate.
4. When relieving in a non-union position during his/her normally scheduled hours of work, a controller/dispatcher shall be paid a minimum of four hours' pay at the appropriate relief rate, or the actual hours worked, whichever is greater.

7.0 SHIFT WORK

The content, preparation, posting and administration of shift schedules is the sole responsibility of the Company.

The posting of master shift schedules will be done in a manner that considers the needs of both the employee and the Company.

7.1 Regular Controllers/Dispatchers

7.1.1 Master Work Schedule

A six-month (commencing in January and July) master work schedule, averaging 40 hours per week, posted one month in advance, will be prepared and posted indicating the days, hours of work (shift) for each controller/dispatcher. The master work schedule will provide a minimum of 16 hours off between eight hour shifts.

7.1.2 Time Balance

1. The master work schedule shall have the time balance adjusted for each controller/dispatcher to zero on June 30 and December 31. Statutory holidays occurring and vacation allowances taken during the respective periods shall be included when computing time balances.
2. Plus time balances on the above dates shall be paid for at premium rates of pay.
3. Minus time balances which occur as a result of implementing the provisions of 7.1.2(1), 7.4.4 and 7.4.5 shall be worked off in the master work schedule in which they occur or the two-month period immediately following the establishment of the minus time, whichever is the greater.

7.1.3 Revisions to Master Work Schedule

Revisions to master work schedules should be done in a manner that mutually meets the needs of both the employee and the Company.

It is the Company's intent to minimize the impact of revisions to master work schedules on the affected employees consistent with good business practices.

This shall be accomplished by open discussion with all potentially affected employees to ensure:

- the impact of disruption to the employee's previously scheduled time off is considered
- that employees understand the impact of the changes on the cost to the Company.

Master work schedules may be subject to revisions as follows:

1. Individual controllers/dispatchers may be changed within the master work schedule for strengthening of shifts providing a

minimum of seven days' notice is given. The intention is that such changes shall normally be of a permanent nature.

In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

2. Supernumerary hours of work may be changed within a calendar day to strengthen a shift providing a minimum notice of 16 non-working hours is given before the start of the first affected shift. If sufficient notice cannot be provided, this change will not be made.
3. With a minimum of four days' notice, supernumerary days of work may be interchanged with scheduled days off, for meetings (excluding meetings involving Union), interviews, short leaves of absence, familiarization trips, training programs and for additional help during heavy workload periods. If more than four weeks separates a scheduled supernumerary day from a scheduled day off or four days' notice cannot be given then these may not be interchanged.
4. Once per schedule per controller/dispatcher and with a minimum of four days' notice an individual controller/dispatcher may be temporarily transferred from his/her master work schedule to the master work schedule of a controller/dispatcher who will be absent for at least ten working days. Seven days' notice will apply for subsequent temporary transfers. Such transfers shall be for the purpose of staff shortages due to transfers, leaves of absence or the absence of a controller/dispatcher involved in training as outlined in 7.4.5. A controller/dispatcher so transferred shall be required to assume the schedule of the absent controller/dispatcher and two days' notice shall be given when returning to his/her normal master work schedule.

A maximum of two additional regular controllers/dispatchers may be temporarily transferred to fill in behind the relieving controller/dispatcher and their moves shall be governed by the foregoing of this item.

5. An individual controller/dispatcher's schedule on a master shift schedule may be changed without penalty, as a result of his/her request for an extension of his/her vacation as outlined in Part A Section 6.7(1)(d).

7.1.4 Penalties

1. Failure to comply with one month's advance posting, as indicated in 7.1.1 shall require the payment of premium rates for work performed under the new schedule for which one month's advance posting has not been provided.

2. Failure to give the required notice, as indicated in 7.1.2(1) shall require the payment of premium rates until the notice period has elapsed.

7.2 Controller/Dispatcher Trainees and Surplus Controller/Dispatchers

7.2.1 Work Schedule (Supernumerary)

When supernumerary, surplus controllers/dispatchers and trainees shall be given a four-week schedule, averaging 40 hours per week, posted one week in advance, showing days and hours of work.

7.2.2 Revisions to Work Schedule

Supernumerary schedules themselves may be subject to revisions for purposes of necessary training, as follows:

1. Once per schedule per controller/dispatcher/trainee, scheduled supernumerary days of work may be interchanged with scheduled days off providing a minimum of one days' notice is given. For subsequent occurrences (i.e., within that 4-week schedule) a minimum of four days' notice will be given. If more than four weeks separate a scheduled supernumerary day from a scheduled day off, then these may not be interchanged. The one day's notice provision applies only to trainees who have less than five years' service in the electrical operating discipline.
2. Supernumerary hours of work may be changed within a calendar day providing a minimum notice of 16 non-working hours is given before the start of the first affected shift.

7.2.3 Transfers between Work Schedule and Master Work Schedule

1. When transferring from a supernumerary schedule to the schedule of a regular controller/dispatcher position and also when returning to their supernumerary schedule they shall be given one day's notice providing the transfer involves a change in the hours of work.
2. Plus time that has accumulated as a result of having worked in master work schedules shall be scheduled as time off during the four-week period following the controllers/dispatchers' return to their supernumerary schedules. Failure to schedule this time off as outlined above, or a cancellation of such scheduled time off, shall require the payment of all remaining plus time at the appropriate premium rate.

3. When occupying a regular controller/dispatcher position they shall be subject to the provisions governing regular controllers/dispatchers as detailed in 7.0.

7.2.4 Penalties

1. Failure to comply with the one week's advance posting, as indicated in 7.2.1 shall require the payment of premium rates for work performed under the new schedule for which one week's advance posting has not been provided.
2. Failure to give the required notice, as indicated in 7.2.2(1), 7.2.2(2) and 7.2.3 shall require the payment of premium rates until the notice period has elapsed.

7.3 Controller/Dispatcher Trainees

7.3.1 Work Schedule (Supernumerary)

When supernumerary, trainees shall be given an eight-week schedule, averaging 40 hours per week, posted two weeks in advance, showing days and hours of work.

7.3.2 Revisions to Work Schedule

While adherence to the supernumerary schedule is desirable, flexible utilization of trainees' working time will, on occasion, necessitate change in days of work on 24 hours' notice and hours of work on 16 hours' notice.

7.3.3 Transfers between Work Schedule and Master Work Schedule

1. When transferring from a supernumerary schedule to the schedule of a regular controller/dispatcher position and also when returning to their supernumerary schedule they shall be given one day's notice providing the transfer involves a change in the hours of work.
2. Plus time that has accumulated as a result of having worked in master work schedules shall be scheduled as time off during the four-week period following the trainees' return to their supernumerary schedules. Failure to schedule this time off as outlined above, or cancellation of such scheduled time off, shall require the payment of all remaining plus time at the appropriate premium rate.
3. When occupying a regular controller/dispatcher position they shall be subject to the provisions governing regular controller/dispatcher as detailed in 7.0.

7.3.4 Penalties

Failure to comply with the two weeks' advance posting, as indicated in 7.3.1 shall require the payment of premium rates for work performed under the new schedule for which one week's advance posting has not been provided.

Failure to give the required notice, as indicated in 7.3.2 and 7.3.3 shall require the payment of premium rates until the notice period has elapsed.

7.4 Miscellaneous Scheduling Provisions

7.4.1 Administration

Although the content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of controllers/dispatchers for a particular basic type of schedule will be adopted. Such preferences will be made known to the Company prior to commencement of preparation of new schedule.

However, if in the Company's opinion, the efficiency of the station or the health of a controller/dispatcher could be detrimentally affected by the chosen schedule, then the Company will provide the Union (chief steward) with reasons or medical opinions why the desired schedule cannot be implemented.

The preference of individual controller/dispatchers regarding vacation periods will be considered, providing such preferences are made known prior to commencement of preparation of new schedules.

Controller/dispatcher positions identified on the Master Work Schedule will normally be filled.

7.4.2 Changing Positions on a Shift

Changing of positions on a given shift shall not involve premium rates of pay.

7.4.3 Definition

Notice as referred to in this item shall be defined as per the following example: One day's notice shall mean 24 hours prior to the start of the first affected shift. Also, the notice period shall be deemed to commence coincident with the posting of the revised schedule.

7.4.4 Training

Regular and supernumerary controller/dispatchers (surplus, and trainees) may be temporarily transferred from their work schedules for purposes of job related formal training and development at locations where planned controller/dispatcher training is provided.

The controller/dispatcher being trained will be surplus to the regular staff complement but he/she may be assigned certain definite responsibilities as his/her training progresses.

The controller/dispatcher being trained will be assigned specific hours of work for the duration of the training period; these will be assigned at or before the time he begins training.

There will be no loss of basic earnings (40 hours time hourly rate) due to participation in any training program.

Seven days' notice shall be given to all participating controller/dispatchers except in the event of a late cancellation in which case an alternate controller/dispatcher may be selected and he/she may waive the notice period.

7.4.5 Floating Statutory Holiday

A floating holiday may be interchanged with a supernumerary day or with a day where step-up relief can be provided. Floating holidays may be taken in the 12 month period from January 1 to December 31.

7.5 Twelve-Hour Shifts – Controllers/Dispatchers

This item is applicable to all basic shift-working controller/dispatchers. Developmental staff may be permitted to work twelve-hour supernumerary shifts (excluding Items 7.5.1 and 7.5.2.1).

7.5.1 Implementation

To implement twelve-hour shifts or discontinue twelve-hour shifts at any location, 51% of all affected basic staff, must vote in favour by secret ballot. The vote will be administered by the controller/dispatcher Steward.

The implementation vote will be conducted sufficiently in advance to permit the posting of the Master Schedule. The amount of advanced notice will be determined by the local supervisor.

Those controller/dispatchers who do not normally provide continuous shift coverage will not be permitted to vote. Item 7.5.2.2 must be adhered to.

7.5.2 Scheduling Provisions

7.5.2.1 A posted time-balanced twelve-hour shift schedule with equitable rotation per Part C, Item 7.7, must be complemented by a manpower availability requirement (MAR) list to cover unexpected absences or unavailability of staff, so that no individual will normally be required to work continuously more than fourteen (14) hours.

The MAR list is optional based on a decision made by the employees covered by the schedule. If availability to provide shift coverage becomes a problem,

following discussions between the Chief Steward and local management, the following provisions for the MAR list and Item 7.5.2.2 will apply.

- i) The MAR list must identify at least one individual from the normal station complement authorized to work twelve-hour shifts, who is on a regular day off and capable of relieving on short notice any shift operating position vacated unexpectedly. Developmental staff may not be used for the express purpose of satisfying MAR list requirements.
- ii) The individual(s) identified on the MAR list must be available during the period two hours prior to and one hour after normal shift change times. This is not deemed to be time worked for any pay purposes.

7.5.2.2 Any new appointee must accept the posted twelve-hour shift schedule and MAR list as a condition of appointment; such appointees will vote for subsequent shift schedules and must accept the results.

Any controller/dispatcher/trainee used in replacing a basic position must accept the posted twelve-hour shift schedule and the MAR list obligations of the position involved.

7.5.2.3 Rescheduling and utilization of supernumerary time (all or a portion thereof) under circumstances and conditions in accordance with the Collective Agreement to cover part of a twelve-hour shift will not result in premium time payment.

7.5.2.4 No more than four (4) twelve-hour shifts may normally be scheduled in sequence and must be followed by a minimum of forty-eight (48) hours off. For cycles greater than thirty (30) days, one short change of twenty-four (24) hours off will be permitted per cycle.

7.5.2.5 When a regular shift commences before midnight and continues after midnight, e.g. 20:00 to 08:00, all hours during the continuous shift shall, for pay and time balance purposes, be recorded and treated as if they occurred during the calendar day in which the shift ends.

7.5.2.6 Shift changes between twelve-hour shifts will provide a minimum of twelve (12) hours off for the individual involved; shift changes from twelve-hour shifts to eight-hour shifts will provide a minimum of twelve (12) hours off; similarly, changes from eight (8) to twelve (12) hour shifts will provide a minimum of sixteen (16) hours off.

7.5.2.7 All vacation days, floating and statutory holidays, hours of work, and supernumerary days included on the Posted Master Schedule must be identified as being twelve (12), eight (8) or (4) hour shifts (vacation and supernumerary days).

7.5.3 Election Coverage

With particular regard to elections, it may be necessary to reschedule working hours of some or all individuals, without penalty.

To avoid the use of eight (8) hour shifts, the following strategy for all Federal, Provincial and Municipal Elections will apply.

7.5.3.1 All employees scheduled to work the twelve-hour shift on the day of the election will be encouraged to vote at the Advance Polls.

7.5.3.2 For those employees scheduled to work the twelve-hour day shift on the day of the election who found it impossible to vote at the Advance Polls, provisions will be made by their supervisor to release them for the time required to vote and then return to work. Transportation and expenses to and from the polling station are the employee's responsibility. Employees requiring time off to vote will endeavor to notify their supervisor 7 days before the election day so adequate coverage can be arranged.

If not notified, the supervisor will make the appropriate changes to shift coverage notifying staff at least 4 days in advance of the election day.

In the event that an employee does not use the advance poll, but requires time off, it may be necessary to revert to eight-hour shifts for the election.

7.5.4 Administration of Entitlements

7.5.4.1 Entitlement for vacation, statutory holidays, floating holidays, special time off, and sick leave, as noted in Part A General Items, shall be credited in hours, with each day of entitlement constituting eight (8) hours.

7.5.4.2 Only when an employee is scheduled to work a twelve-hour shift, will a "day" with reference to items 7.5.4.2.1, 7.5.4.2.2, and 7.5.4.2.3 constitute twelve (12) hours deducted from credits; a "day" with reference to 7.5.4.2.4, 7.5.4.2.5, 7.5.4.2.6, 7.5.4.2.7, and 7.5.4.2.8 will constitute twelve (12) hours.

Items 7.5.4.2.9, 7.5.4.2.10 and 7.5.4.2.11 will be credited for pay purposes on any actual hour-for-hour basis.

- 7.5.4.2.1 Vacation
- 7.5.4.2.2 Floating and Statutory Holidays
- 7.5.4.2.3 Sick Leave
- 7.5.4.2.4 Paid Leave of Absence
- 7.5.4.2.5 Legal Hearings
- 7.5.4.2.6 Funerals
- 7.5.4.2.7 Moving Days
- 7.5.4.2.8 Pregnancy/Adoption/Parental Leave
- 7.5.4.2.9 Travelling Time Outside Scheduled Hours
- 7.5.4.2.10 Payment for Temporary Supervision
- 7.5.4.2.11 Time Charges and Expenses-Union Representation

A vacation day, floating or statutory holiday, scheduled on a posted Master Schedule will constitute eight (8) hours deducted from credits.

A scheduled supernumerary day on a posted Master Schedule will constitute eight (8) hours. One four (4) or twelve (12) hour supernumerary shift per six month schedule may be utilized for balancing purposes. Where mutually agreeable, more than one (1) four and/or twelve-hour supernumerary shift may be used.

Training days will be identified on a posted Master Schedule. When it is necessary to remove an individual from his/her normal shift rotation to establish training days, these identified days will not be moved by revisions to the master work schedule, except as noted below. Scheduling of these training days will be mutually agreed upon.

When scheduled training is cancelled, these identified days may be moved by revisions to the master work schedule for strengthening shifts, providing a minimum of seven (7) days' notice is given.

If the training is deferred, every effort will be made to accommodate the individual originally scheduled.

7.5.5 Shift differential will be paid for the night shift only. The shift differential will be the sum of the differentials in Part C, Item 7.7 multiplied by 8/12.

7.5.6 Overtime will be paid as per Part C, Item 8.3.2.1. Unscheduled overtime is paid as per the actual hours worked, not per shift basis.

7.5.7 Termination of Twelve-Hour Shifts

7.5.7.1 Initial and subsequent twelve-hour shifts may be terminated by the Company without notice or penalty if considered to have adverse impact upon public or staff safety.

7.5.7.2 Twelve-hour shifts may be cancelled for any reasons by either the Company or the Union upon two (2) months' written notice to the other prior to the beginning of the subsequent schedule.

7.6 Forty-Hour Per Week Controllers/Dispatchers/Trainees

7.6.1 Non-shift Day Controllers/Dispatchers

The normal work week for these positions shall be 40 hours per week, consisting of five days of eight hours each, Monday to Friday, inclusive, statutory holidays excepted. The specific hours of work shall be 0800 to 1200 hours and 1300 to 1700 hours, except where such controllers/dispatchers are part of a shift complement, in which case their hours of work shall be 0800 to 1600 hours.

Controllers/Dispatchers filling such positions shall not be required to accept service duty or on-call duty.

7.7 Differential for Shift Work

Shift differentials shall apply to employees required to work on a three-shift schedule or a two-shift schedule. The first part of a three-shift or a two-shift schedule shall begin at normal starting time.

Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 0700 and 1800.

1. A shift differential of 70 cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.
2. A shift differential of 1 dollar per hour shall be paid to employees who are scheduled to work between the hours of 0000 and 0800.

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment of shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential. Controllers/Dispatchers Trainees will be paid this shift differential when they are working shift work.

8.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

8.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours (or controller's/dispatcher's/trainee's schedule, subject to provisions Part C Item 7.0), and is therefore, subject to compensation at premium rates.

Prearranged Overtime: Work performed outside the normal scheduled hours for which notification must be given a minimum of 24 hours in advance (21 hours for computer sub-branch shift working employees). Time shall be counted from the time the employee reports for work until the employee finishes work. Where this advance notice is not given, overtime shall be considered as emergency overtime.

Emergency Overtime: Work performed outside the normal scheduled hours which is neither prearranged nor extension overtime. Time shall be

counted from the time the employee reports for work until the employee finishes work.

Extension Overtime: Work performed outside the normal scheduled hours as an extension of the normal scheduled hours/shift (either immediately preceding or following the normal scheduled hours/shift). Time shall be counted from the time the employee reports for work until normal starting time or from normal quitting time until the employee finishes work. Extension overtime will not be used for controllers/dispatchers/trainees where coverage is required for a complete shift and a controller/dispatcher/trainee is available.

8.2 Minimum Payments

8.2.1 Emergency Overtime

All emergency overtime worked shall receive a minimum payment of three hours' straight time pay or the actual time worked at the appropriate premium rates, whichever is the greater providing short emergency calls are not repeated within one hour of the completion of a previous call, for which the three hours' minimum (three hours at straight time) was paid.

In addition to the payment for emergency overtime or minimum payment as outlined above, one hour (straight time) shall be paid to the controller/dispatcher/trainee as compensation for travelling from his/her home to his/her place of work and return.

8.2.2 Prearranged Overtime

All prearranged work outside of normal hours performed or reported for due to lack of notice of cancellation on a scheduled day of work shall receive a minimum of two hours' straight time pay or the actual time worked at the appropriate premium rate, whichever is the greater.

All prearranged work performed or reported for due to lack of notice of cancellation on a scheduled day off shall receive a minimum of four hours' straight time pay or the actual time worked at the appropriate premium rate, whichever is the greater.

All prearranged overtime work cancelled within 24 hours of the designated work commencement time shall require payment of two hours at the basic rate to all affected controllers/ dispatchers/trainees.

One hour at straight time will be paid in lieu of time spent travelling when an employee is called in to work overtime and an extra trip is involved.

8.3 Premium Payments

8.3.1 Payment for Overtime

Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Premium payment for overtime shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours after normal quitting time, Monday to Friday inclusive. It will also apply to the first two hours of overtime worked on an unscheduled day of work.
2. Two times the employee's basic rate shall be paid for:
 - all work performed outside of the first two hours after normal quitting time, Monday to Friday inclusive, and after the first two hours on an unscheduled day of work.
 - all overtime work performed on Saturday, Sunday and statutory holidays which occur Monday to Friday.
3. Two and one-half times the employee's basic rate shall be paid for all overtime hours worked on a statutory holiday which occurs on Saturday.

8.3.2 Scheduled Work

1. One and one-half times the employee's basic rate shall be paid for scheduled work performed on Saturdays and Sundays.
2. Two times the employee's basic rate shall be paid for:
 - (a) Scheduled work performed on a statutory holiday which occurs on Monday to Friday. An additional day off will be scheduled in lieu of the statutory holiday within six months of the end of the posted schedule.
 - (b) Scheduled work performed on a statutory holiday which occurs on a Saturday. The premium for scheduled Saturday in 1. above shall not apply.

8.3.3 Cancelled Vacation Days

When an employee's vacation is cancelled by the Company, the employee shall receive the appropriate premium rate for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days. If more than seven calendar

days' notice has been given, the employee shall receive straight time for all normal hours worked.

Where possible, and where it is mutually agreeable, cancelled vacation days shall be rescheduled during the current or succeeding six months' schedule. If this is not possible, the cancelled vacation shall be included in the employee's time balance at the end of the schedule in which it occurred.

When a controller's/dispatcher's/trainee's vacation is postponed owing to his/her illness, this postponed vacation will be rescheduled at a mutually agreeable time during the current or succeeding six months' schedule. If this is not possible, the cancelled vacation will be paid for at straight time rates.

NOTE

Controllers/Dispatchers/Trainees shall receive entitlement for the same number of statutory holidays as Part 'B' hourly-rated employees. Therefore, when a statutory holiday falls on a Saturday, statutory holiday credit shall not apply.

8.4 Special Provisions Concerning Overtime

An employee who is required to work continuously for more than 16 hours shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest period.

8.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

- (a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed during the first two clock hours after the normal quitting time

of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours after the classification's normal quitting time.

and/or

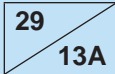
- (b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours worked in a day. Two times the employee's basic rate for all work performed in excess of two hours in a day.

and/or

- (c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

8.6 Equivalent Time Off Without Pay

See Part 'A' Section 10.2



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS
- Dollars per Hour

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01	Sr. Electrical Area Supervisor; Outage Scheduler	50.57	52.53			
08	Senior Shift Authority (SSA) Operator	49.12	50.58			
02	Level IA - Operator; Electrical Area Supervisor	47.66	49.10			
03	Level I - Operator;	46.06	47.50			
04	Level II - Operator	43.07	44.37			
05	Level III - Operator	38.97	38.97			
06	Reserve Operator	32.46	34.64	36.71	38.97	
07	Operator-in-Training	23.60	25.56	27.53	29.50	30.63

Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OIT'S progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

Labour Relations
Effective: April 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
 Wage Schedule 30 - Controller/Dispatcher
 - Dollars per Hour

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01 Controller	41.46	47.50	49.10	52.09	54.11
02 Dispatcher	38.13	39.33			
03 Controller/Trainee	23.50	25.56	27.63	29.50	30.63
04 Dispatcher Trainee	23.60	27.53	30.63		

Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement.

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 - Dispatcher.

Controller Trainees progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS
 - Dollars per Hour

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01	Sr. Electrical Area Supervisor; Outage Scheduler	51.08	53.06			
08	Senior Shift Authority (SSA) Operator	49.61	51.09			
02	Level IA - Operator; Electrical Area Supervisor	48.14	49.59			
03	Level I - Operator;	46.52	47.98			
04	Level II - Operator	43.50	44.81			
05	Level III - Operator	39.36	39.36			
06	Reserve Operator	32.70	34.99	37.08	39.36	
07	Operator-in-Training	23.83	25.82	27.80	29.79	30.94

Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OIT'S progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
 Wage Schedule 30 - Controller/Dispatcher
 - Dollars per Hour

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01 Controller	41.87	47.98	49.59	52.51	54.65
02 Dispatcher	38.51	39.72			
03 Controller/Trainee	23.83	25.82	27.80	29.79	30.94
04 Dispatcher Trainee	23.83	27.80	30.94		

Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 - Dispatcher.

Controller Trainees progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS
- Dollars per Hour

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01	Sr. Electrical Area Supervisor; Outage Scheduler	51.85	53.85			
08	Senior Shift Authority (SSA) Operator	50.35	51.86			
02	Level IA - Operator; Electrical Area Supervisor	48.86	50.34			
03	Level I - Operator;	47.22	48.70			
04	Level II - Operator	44.16	45.48			
05	Level III - Operator	39.95	39.95			
06	Reserve Operator	33.28	35.52	37.53	39.95	
07	Operator-in-Training	24.19	26.21	28.22	30.24	31.40

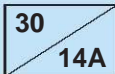
Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OIT'S progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

Labour Relations
Effective: April 1, 2014



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
Wage Schedule 30 - Controller/Dispatcher
- Dollars per Hour

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01 Controller	42.50	48.70	50.34	53.40	55.47
02 Dispatcher	39.09	40.32			
03 Controller/Trainee	24.19	26.21	28.22	30.24	31.40
04 Dispatcher Trainee	24.19	28.22	31.40		

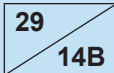
Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 - Dispatcher.

Controller Trainees progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.

Labour Relations
Effective: April 1, 2014



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS
- Dollars per Hour

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01 Sr. Electrical Area Supervisor; Outage Scheduler	52.37	54.39			
08 Senior Shift Authority (SSA) Operator	50.85	52.38			
02 Level IA - Operator; Electrical Area Supervisor	49.35	50.84			
03 Level I - Operator;	47.69	49.19			
04 Level II - Operator	44.60	45.94			
05 Level III - Operator	40.35	40.35			
06 Reserve Operator	33.61	35.87	38.01	40.35	
07 Operator-in-Training	24.43	26.47	28.50	30.54	31.72

Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OIT'S progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

Labour Relations
Effective: October 1, 2014



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
Wage Schedule 30 - Controller/Dispatcher
- Dollars per Hour

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
01 Controller	42.93	49.19	50.84	53.93	56.02
02 Dispatcher	39.48	40.72			
03 Controller/Trainee	24.43	26.47	28.50	30.54	31.72
04 Dispatcher Trainee	24.43	28.50	31.72		

Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 - Dispatcher.

Controller Trainees progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.

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PART D
WEEKLY-SALARIED

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**PART D
WEEKLY-SALARIED**

Specific Matters of Agreement

1.0 SALARIES

Salaries shall be in accordance with the salary schedules which are part of this Agreement.

2.0 ON CALL

2.1 On Call – Protection and Control

On call is the term used to cover trouble call service performed by Protection and Control Technicians and Technologists. While on call, they are allowed up to a maximum of two (2) hours between the time they are called and the time when they report to work.

The rate of pay for on-call duty will be one-half hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short call basis.

Subject to safe application, volunteers will be requested prior to the mandatory assignment of on call.

2.2 On Call-Hydro One Telecom Technical Staff

On call is the term used to cover trouble call service performed by Hydro One Telecom technical staff. While on call, they are to report to work in a reasonable length of time.

The rate of pay for on-call duty will be one-half hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short-call basis.

2.3 On Call Helicopter Pilots and Air Engineers

On call is the term used to cover trouble call service performed by Helicopter Services, Helicopter Pilots and Air Engineers. While on call, employees are to report to the site of the Helicopter, in a maximum of 3 hours from the time of being called/paged. On call will be on a voluntary individual basis

for Air Engineers. Subject to safe application, volunteers will be requested from Helicopter Pilots prior to mandatory assignment of on call. Helicopter Pilots will not be required to accept on call more than thirteen (13) times per pilot per calendar year.

The rate of pay for on call duty will be one (1) hour at the employee's basic hourly rate per day for Saturdays, Sundays and Statutory Holidays.

3.0 POSTING OF VACANCIES

All vacancies as set out in Article 10 and as covered by this section of the agreement will be posted when they become vacant with the following exceptions:

1. A change to the job duties, rating and/or salary grade resulting from a Clerical-Technical Job Evaluation Plan challenge, or a Review of a Rating by the Job Classification Committee, or a change to a job title and/or occupation code only, shall not be considered to create a vacancy.
2. A change to the duties of an occupied job, wherein the salary grade remains unchanged, shall not be considered to create a vacancy.
3. A change to the duties of a job covered by the Clerical-Technical Job Evaluation Plan which results in an increase to the salary grade shall not be considered to create a vacancy if there is, in the Company's opinion, an employee in the immediate work group who is the only one qualified to perform the resulting job. However, in such cases, if there is a more senior employee in the same job in the same work group who was not appointed to the resulting job, he/she shall have the right to seek redress under Article 2, Grievance Procedure.
4. Changes to jobs which result in a surplus in staff complement of the work group shall not be considered to create a vacancy in the resulting job(s).
5. The restructuring of a job in a manner which justifies application of the Downward Restructuring Rule (Section 4.9.2 of this section of Agreement) to the incumbent, shall not be considered to create a vacancy.

3.1 Posting Procedures

A notice of vacancy referring to jobs covered by the Clerical-Technical Job Evaluation Plan shall be based on the job description and job specification and shall be posted province wide. Nothing contained in the notice of vacancy shall contravene the information contained in the job documents. No important information (subject to space limitations) shall be omitted. A notice of vacancy setting out a higher education or experience requirement

than indicated in the job specification will require a corrected notice of vacancy and an extended date of closure.

Vacancies for applications technician and service specialist within the jurisdiction of the Union shall be posted on a province-wide basis subject to all conditions relating to positions once removed from the Union's jurisdiction.

4.0 CLERICAL-TECHNICAL JOB EVALUATION

NOTE:

1. The job challenge process contained in Clerical-Technical Job Evaluation Manual, "Plan B" and referred to in this section shall be replaced for the term of this Collective Agreement with the expedited process contained in Article 2.7, Dispute Resolution – Article 8, Job Challenges, and OGLs. The Job Classification Committee shall assume all the responsibilities normally associated with the Joint Salary Committee for the term of this Collective Agreement.
2. When a management review of a job document that is occupied by more than one employee results in a proposed change of the job grade rating, management will discuss the proposed change with the Chief Steward prior to the review of the Job Description and Job Specification with the incumbents.

4.1 The Clerical-Technical Job Evaluation Plan

The provisions which form the basis of the Clerical-Technical Job Evaluation Plan, formerly referred to as Plan 'B', are contained in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual. Matters pertaining to the application of dollars are contained in the Collective Agreement. Job evaluation matters are contained in the Manual. The Company shall identify the Company groups responsible for dealing with the Union in the foregoing matters.

4.2 Jobs Covered by the Clerical-Technical Job Evaluation Plan

The plan shall cover all jobs falling under this section of the Collective Agreement excepting those covered by salary schedule 21.

4.3 Identification of Jobs in Salary Schedule

All jobs processed under the Clerical-Technical Job Evaluation Plan shall be designated a salary grade in the current salary schedule issued in conjunction with the Collective Agreement.

4.4 The Union Clerical-Technical Job Evaluation Manual

The Manual is a supplement of the Collective Agreement and its provisions shall apply as if set forth in full herein.

The Manual shall be supplied to all employees whose jobs are covered by the plan.

4.5 Rights of the Parties

The Company has and shall retain the exclusive right and power to decide what work is to be done and who is to do it and accordingly the Company shall apply the Clerical-Technical Job Evaluation Plan to determine appropriate salary grades for jobs. The Company shall exercise these rights in accordance with the provisions as set forth in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual.

The Union's right shall be to act on behalf of its members to ensure that the Clerical-Technical Job Evaluation Plan is being properly applied. In order to carry out this function, the Union Job Evaluation Officer shall work in liaison with the appropriate Company groups responsible for the administration of such matters and he/she shall be permitted, within reason, to interview employees during regular working hours.

The Union shall exercise these rights in accordance with the provisions as set forth in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual.

The Union shall retain its rights to participate jointly with the Company in developing and/or modifying the Clerical-Technical Job Evaluation Plan.

In the event of conflict between the foregoing general statements, regarding the rights of the parties, and the specific provisions contained in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual, the latter shall govern.

4.6 Salary Schedule

The salary schedule for jobs covered by the Clerical-Technical Job Evaluation Plan and issued in conjunction with the current Collective Agreement shall have the following characteristics:

1. The salary schedule shall be a salary range schedule with a total of 18 salary grades.
2. The percentage increment from salary grade to salary grade (based on step 3 of each salary grade) calculated from salary grade 51, step 3, shall be annotated on the schedule 20 which is currently in effect.

3. Each salary grade is composed of three steps. The second step is 97 percent (97%) of the maximum and the first step is 94 percent (94%) of the maximum. The time interval required for anniversary progression shall be in accordance with Part 'A', Section 3.0.
4. When an incumbent is promoted from one salary grade to another, he/she shall be promoted in accordance with Part A, Section 24.1.1.
5. The relationship between the salary grade and the point range shall be 13 points for the first salary grade and 21 points for each salary grade thereafter.

4.7 Wages and Retroactivity upon Upward Reclassification

Upward Reclassification as a Result of Company Initiated Action:

1. Transfer from the existing salary grade to the new higher salary grade shall be by the promotion rule.
2. Retroactive entitlement shall be computed by going back to the date when the increased job demands and responsibilities were instituted or undertaken.

Upward Reclassification as a Result of Employee Initiated Action Through the Issuance of a Record of Discussion Form:

1. Transfer from the existing salary grade to the new higher salary grade shall be by the promotion rule, except in the following situations where it shall be by the step-to-step method:
 - (a) Where there is no change in job content or job demand, but the job specification factor ratings change resulting in an upward reclassification of the job.
 - (b) Where a change in job demand is recognized resulting in an upward reclassification of the affected incumbents and where such incumbents have been performing the duties and/or undertaking the responsibilities which caused the upgrading for a period of one year or more prior to the date of the first discussion as recorded on the Record of Discussion form and where these same incumbents have been in the maximum step of the salary grade for the job for one year or more prior to the date of the first discussion.
2. The date of the transfer of an employee to a higher salary grade whether by the promotion rule or the step-to-step method shall be the date of the commencement of the retroactivity and the transfer shall be from the salary grade and step in effect on that date.

3. Retroactive entitlement in Subsection 1. above shall be as set out in the Union Clerical-Technical Job Evaluation Manual.
4. An incumbent who has left the Company's service shall be entitled to retroactive payment, as a result of challenge for the affected period during which he/she was in the Company's employ.

4.8 Training Situations

Normally, an employee receives his/her training and experience by being promoted through a series of established jobs for which job descriptions and job specifications exist. His/her movement up the ladder from job to job will occur when the Company determines that he/she is capable of performing the duties and responsibilities of a higher-rated job, and an opening exists.

At times, however, in certain types of work, an employee will be advanced through a planned series of training steps in which he/she will be directly trained for a specific job which he/she will eventually occupy, i.e., a terminal job. This is termed a training situation.

The Company will identify the need for such a training situation and will structure the terminal job. A job description and job specification will be prepared for the terminal job only. The Job Classification Committee will establish the final rating for the terminal job, and will determine the appropriate training steps leading to the terminal job rate.

The training steps will be established in the following manner:

4.8.1 Formula for Developing Training Situations

The hiring rates will be established based on survey data supplied by the Company and/or the Union and will be consistent with the mean hiring rate being paid by other companies to inexperienced graduates possessing the specified education required to perform the terminal job.

The time span of the training situation will consist of a number of years equal to the minimum number of years indicated in the experience factor applying to the terminal job.

For each year of the time span as determined above an annual training step will be established. The Job Classification Committee may approve the division of annual steps into quarterly or semi-annual sub-steps where such action has been recommended by line management.

Salary step dollars shall be calculated to proceed in geometric progression from the hiring rate to step 1 of the salary grade for the terminal job in the number of years of the training situation. The dollar values thus obtained for each step shall be translated to the nearest salary grade and step (above

or below) which appears on schedule 20. The factor used to multiply each annual step dollars to find the next annual step will be 'F' i.e.,

$$F = \sqrt[n]{\frac{R_t}{R_s}}$$

Where,

- n = Number of years in the training situation
- R_s = Hiring rate
- R_t = Terminal rate

Where applicable the dollars for the half-yearly step will be starting dollars multiplied by 'Fh' i.e.,

$$Fh = \sqrt[2n]{\frac{R_t}{R_s}}$$

4.8.2 Advancement Through Training Situations

1. A trainee will (subject to Subsections 2. and 3. following) advance to each subsequent training step at the designated intervals based on the date of appointment to the training situation. Upon completion of his/her training, he/she will be placed in the first progression step of the salary grade applying to the terminal job. He/she will then be subject to the conditions of the Clerical-Technical Job Evaluation Plan.
2. If at any time the trainee is judged to be incapable of performing the terminal job in a satisfactory way, he/she may be removed from the training situation.
3. If a trainee, in the Company's opinion, fails to make satisfactory progress his/her next training step may be delayed, in accordance with the provisions of Part 'A', Subsection 3.0. Such a delay may take place on one occasion only throughout the training program.
4. If a trainee, in the opinion of the Company displays exceptional ability, he/she may be advanced to the training step which is more in keeping with his/her achieved progress.
5. If a person having suitable experience is appointed to a training situation, the Company may place him/her in any training step judged to be appropriate to his/her applicable experience.
6. If a trainee, who has not yet attained the terminal job level, believes that he/she is fully performing the duties, and has the responsibilities of the terminal job document, he/she may institute a challenge.

4.8.3 Continuing Administration of Training Situations

The established hiring rates will remain in effect until altered through negotiation between the parent bodies or until altered through action resulting from a review by the Job Classification Committee upon the request by the parent bodies.

Recalculation of training step values (according to 4.8.1) will occur with a change in the hiring rate.

The existing trainees will remain on the training situations on which they were hired until they have reached the step 3 of the salary grade of the terminal job.

4.8.4 Tiered Training Situations

In certain instances, it may be necessary to develop a hierarchy of terminal jobs with training situations leading to each level, e.g., to the junior, to intermediate, and to senior levels. In such cases, the principles and practices as set out in this agreement will serve as a guide in the development of training steps and their values.

4.9 Clerical-Technical Job Evaluation Plan

4.9.1 Merit Rating

It is agreed that if, as and when merit rating is to be instituted, the plan (system of measurement), but not the application, shall be subject to negotiations.

4.9.2 Downward Restructuring Rule

This provision shall apply to incumbents whose jobs are covered by the Clerical-Technical Job Evaluation Plan.

Should the job which an incumbent is performing be changed, but the basic function and significant duties of the job remain unchanged, and should the job then fall into a lower salary grade, the following shall apply:

1. The incumbent's salary dollars (rate) shall be held constant, except for increases referred to in Subsection 5.9.2(4.), commencing on the date of issue of the Advice of Rating form issued by the Company.
2. Annually thereafter, the incumbent shall have his/her rate reduced by one progression step in the manner portrayed by the chart below.
3. The above process shall continue until the maximum dollars in the salary range for the restructured job are reached.

3. Each salary grade is composed of three steps. The second step is 97 percent (97%) of the maximum and the first step is 94 percent (94%) of the maximum. The time interval required for anniversary progression shall be in accordance with Part 'A', Section 3.0.
4. When an incumbent is promoted from one salary grade to another, he/she shall be promoted in accordance with Part A, Section 24.1.1.
5. The relationship between the salary grade and the point range shall be 13 points for the first salary grade and 21 points for each salary grade thereafter.

4.7 Wages and Retroactivity upon Upward Reclassification

Upward Reclassification as a Result of Company Initiated Action:

1. Transfer from the existing salary grade to the new higher salary grade shall be by the promotion rule.
2. Retroactive entitlement shall be computed by going back to the date when the increased job demands and responsibilities were instituted or undertaken.

Upward Reclassification as a Result of Employee Initiated Action Through the Issuance of a Record of Discussion Form:

1. Transfer from the existing salary grade to the new higher salary grade shall be by the promotion rule, except in the following situations where it shall be by the step-to-step method:
 - (a) Where there is no change in job content or job demand, but the job specification factor ratings change resulting in an upward reclassification of the job.
 - (b) Where a change in job demand is recognized resulting in an upward reclassification of the affected incumbents and where such incumbents have been performing the duties and/or undertaking the responsibilities which caused the upgrading for a period of one year or more prior to the date of the first discussion as recorded on the Record of Discussion form and where these same incumbents have been in the maximum step of the salary grade for the job for one year or more prior to the date of the first discussion.
2. The date of the transfer of an employee to a higher salary grade whether by the promotion rule or the step-to-step method shall be the date of the commencement of the retroactivity and the transfer shall be from the salary grade and step in effect on that date.

**5.0 POSITIONS EXCLUDED AS PER ARTICLE 1 –
WEEKLY-SALARIED (CLERICAL AND TECHNICAL)**

Incumbents in positions excluded under Article 1 perform certain inherent work functions which are part of their normal duties. It is also recognized, however, that such work functions will not be performed for the purpose of reducing staff requirements or deliberately to avoid overtime for employees represented by the Union. If the Union believes that this provision is being abused, it may lodge a grievance under Article 2 of the Collective Agreement.

6.0 JOB/FIELD CLERKS

6.1 Hours of Work

The normal work week for employees in these two classifications shall be 37-1/2 hours per week consisting of eight hours per day Monday through Thursday, and five and one-half hours on Friday.

All hours worked in excess of normal daily hours will be paid for at appropriate overtime rate.

For alternate hours of work arrangements refer to the Bargaining Memorandum of Understanding dated December 13, 1991.

6.2 Christmas Shutdown

6.2.1 It is recognized that the Company shall retain the right to designate those positions which require coverage during the shutdown. When a Christmas shutdown is declared by the Company, eligible weekly-salaried employees shall have the option of repayment by:

1. Applying unused vacation credits from the present year (when a Christmas shutdown period extends into the next calendar year, an employee will have the right to use his/her unused vacation from the previous year).
2. Applying next year's vacation entitlement (restricted to shutdown days only).
3. Requesting time off without pay (restricted to shutdown days only).
4. The use of make-up time at straight time.

The Company will maintain salaries of weekly-salaried employees who elect to work make-up time. The employee will work make-up time within the following periods:

Shutdown Period**Make-up Period**

4 working days or less

October 15 to February 1

More than 4 working days

October 1 to March 31

5. The use of banked overtime hours as per Section 6.3. The selection of option 4. above precludes the use of this option during the make-up period.

Unpaid overtime worked shall be paid to the employee at the appropriate premium rate in the event of his/her transfer or termination prior to receiving the time off with pay during the shutdown period.

The employee will indicate to his/her supervisor his/her selection of the above options prior to the commencement of the make-up period. The employee may change his/her options at any time provided the employee's supervisor authorizes the change.

- 6.2.2** The employee may elect to bank one hour for each overtime hour worked for application to the Christmas shutdown. The maximum number of hours that can be banked is equal to the duration of the Christmas shutdown. The premium portion of the overtime worked shall be received in earnings the following pay period or in equivalent time off with pay.

6.3 Equivalent Time Off With Pay

Job/Field Clerks will be compensated, either in money or in time off, for all overtime authorized by the supervisory staff.

The employee may request that the method of compensation be time off for the hours worked plus premium hours, but time off with pay will be subject to the supervisor's approval.

When time off is used as a method of compensation, the time off will be taken within six months of the date the overtime was worked subject to the approval of management.

6.4 Lateral Transfer of Job/Field Clerks

Employees will be laterally transferred when staff becomes available at a particular residence headquarters and corresponding needs become apparent in the same classifications at other residence headquarters.

Management will inform all employees affected when a change occurs in the construction program which may cause staff to be transferred.

If there is more than one qualified employee in the classification, the selection for transfer will be made on the basis of the most senior employee

who is prepared to accept the transfer. If none of the qualified employees in the classification accept the transfer, then the most junior qualified employee will be transferred. The Chief Steward will be the last one in a classification required to be transferred, provided that the employee concerned has the necessary qualifications to perform remaining work.

6.4.1 Surplus Staff Procedure

The surplusings of staff shall be done in accordance with Article 11 after the provisions of 6.4 have been applied.

6.5 Notice of Transfer

When Job/Field Clerks are transferred and a change of residence headquarters is involved, a minimum of two weeks' notice shall be given.

When the Company considers a preliminary trip to the new location is necessary for interview of employee or for him/her to seek a house, the time, board and lodging and travelling expenses of the employee may be paid. Following an employee's move to this/her new residence headquarters, and while awaiting the transfer of his/her family, time off may be required in order for him/her to seek a house. For such purposes reasonable time off without loss of earnings may be granted at the Company's discretion. This allowance would normally be expected to supplement efforts made by the employee during non-working hours and as such would not normally exceed a total of one full working day.

6.6 Board and Travel Expense – Job/Field Clerks

1. A residence headquarters will be established for each job/field clerk.
2. Job/Field clerks will be paid a board and travel expense subject to the following:

No compensation will be payable to the job/field clerk for travel from his/her residence to the regular work headquarters (e.g. first site on the line). In remote locations where it is not possible to have residence headquarters established within reasonable close proximity (40 road km) to the work headquarters, the board and travel expense will be paid.

- at subsequent temporary work headquarters, compensation will be based on the distance from the employee's residence to the temporary workheadquarters as follows:

up to 16 road km	– no expenses
16 and up to 39 road km	– \$13.00 per day worked
40 and up to 55 road km	– \$15.00 per day worked
56 and up to 79 road km	– \$20.00 per day worked
80 and up to 104 road km	– \$26.00 per day worked
Greater than 104 road km	– \$31.00 per day worked

In unusual circumstances, the Company at its discretion may place employees in hotels/motels or camps at no charge to the employees. In such cases, the expenses as noted above will not apply.

6.7 Job Shutdown Due to Lack of Work

Job clerks will be subject to standoff when no work is available. Vacation, floating statutory holidays, leave of absence without pay or equivalent time off with pay can be used under such circumstances.

6.8 Extreme Weather Closure

At certain times of the year, the offices or other buildings of the Company may be closed due to extreme weather conditions.

Job/Field Clerks shall receive time off with pay for these periods.

7.0 MEAL PROVISIONS

7.1 Provision of Meals

In recognition of the importance of regular meals to an individual's health and effectiveness on the job, the Company will supply meals as outlined below and when required, will assign an employee to secure the meals.

- (a) Employees provide their own meals on regular days of work.
- (b) When an employee works overtime on a regular day off, he/she will be expected to provide one meal if 23 hours notice has been given.
- (c) When an employee works extension overtime before or after normal scheduled hours, all required meals will be provided by the Company. The first meal (or meal allowance) will be provided when two (2) hours of overtime are worked. Subsequent meals or meal allowances will be provided every four (4) hours of overtime worked thereafter.
- (d) When meals cannot be reasonably obtained⁷, an allowance of \$15.00 per meal will be paid

7.2 Meal Periods

- (a) Employees on day work shall take a meal period designated by the Company and shall not be paid for this time (unless otherwise provided for in the Collective Agreement).
- (b) Employees on shift work shall eat their meals during the shift hours as conditions permit.

⁷ 'Reasonably obtained' is to be defined locally by Union and Management.

- (c) When an employee works extension overtime, no time shall be deducted for eating such meals where the employee eats the meal on the job and in a minimum of time.

8.0 RELIEF WORK, ACTING IN VACANCIES & TEMPORARY AND ROTATIONAL ASSIGNMENTS

All assignments that are expected to last six (6) months or longer will be posted for one week.

8.1 Principles Re Resourcing For Relief, Acting, Temporary and Rotational Assignments

Recognizing that relief, acting and temporary assignments contribute to the development of personnel and contribute to the work being done effectively, the following will be considered when resourcing these assignments:

- the more senior employees will be given preference;
- assignments may be split between employees;
- specific qualifications/knowledge required for the position will be taken into consideration;
- for supervisory positions primary consideration will be given to personal qualities such as leadership and the understanding and display of the practice of good human relations;
- employee development;
- Employment Equity objectives discussed in advance with the Union shall be considered;
- amount of notice and duration of assignment will be considered.

These assignments will be distributed as equitably as possible, over time, once the above conditions have been considered. ***Circumstances which negate consideration of the above conditions will normally be discussed in advance with the Union.***

The format for utilization of the above in a Business Unit (or smaller unit) will be a joint responsibility.

Item 8.1 shall not be subject to the grievance/arbitration procedure.

Disputes will be resolved locally and may be referred to Chief Steward and the Local Manager.

If there is no resolution locally, the Chief Steward obtains a “D” number from the PWU Grievance Office. The PWU Grievance Office will notify the Hydro One Labour Relations Office.

The Chief Steward will complete a fact finder with the Local Manager and if there is still no resolution, the PWU Grievance Office will work with the Hydro One Labour Relations Office to schedule the Dispute to be heard at the next available GRB meeting.

The GRB will attempt to facilitate a resolution to the Dispute. If there is no resolution at the GRB, the PWU Sector Vice-President and designated Hydro One Executive will remain seized of the Dispute and will ensure the “Principles Re: Resourcing for Relief, Acting, Temporary and Rotational Assignments” above are being followed in accordance with the 1992 Joint Intent Document.

8.2 Relief Work

Intent

It is the intent of this item that when an employee is relieving in a higher rated position that he/she be properly compensated for the duties that he/she is performing. The assignment of relief is a Management right and increased duties must be assigned not assumed.

1. The Company shall notify the employee in writing, in advance where possible, of the requirement to perform relief, of the general nature of the major duties to be performed, and the rate to be paid during the relief period.
2. Employees in the weekly-salaried schedule, when relieving for the normal duties of an employee in a higher job grade, not defined in 8.2(3) below, for a period of one full working day or more shall be paid, for the full relief period, at the rate established by the Company for the relieved position or three percent (3%) above the employee's normal rate whichever is greater.

In relief situations where less than the normal duties are being performed and a lower salary grade has been established for the relief period, the promotion rule will be used to establish the appropriate progression step or off-schedule rate in the lower salary grade.

Failure to notify the employee in writing of the major duties to be performed and the rate to be paid will require the payment of the first step of the salary grade of the relieved position or three percent (3%) above the employee's normal rate whichever is greater, for the entire relief period.

3. Employees in the weekly-salaried schedule, when relieving for the normal duties of an employee in a non-union supervisory position for a period of one full working day or more shall be paid for the full period at the rate established by the Company for the relieved

position or five percent (5%) above the employee's normal rate whichever is greater.

Failure to notify the employee in writing of the major duties to be performed and the rate to be paid will require the payment of 10 percent (10%) above the employee's normal rate, for the entire relief period.

4. Notification of the Chief Steward is required when the employee is required to relieve for a period of two working days or more.
5. Statutory holidays will not affect the continuity if they occur between the first and second days.

Payment for a statutory holiday shall be at the relief rate if it occurs during the relief period and at the normal rate if it occurs at the beginning or the end of the relief period.

8.3 Acting in a Vacant Position

An employee may act in an existing job in which a vacancy is created, pending the arrival of a successful applicant to the vacancy. When an employee is to be placed in an acting position, the Company shall notify the employee and the chief steward in writing setting out:

1. The reason for the acting position.
2. The general nature of the major duties to be performed.
3. The rate to be paid for the acting position.
4. The expected duration.

The duration of the acting period shall not exceed 90 days from the date the employee is placed in the acting capacity, unless an extension is agreed to by the Company and the Chief Steward of the Union. Pending the arrival of the successful applicant and his/her assuming the normal duties, the acting incumbent who is performing the normal duties and responsibilities of an acting position shall receive the appropriate rate in accordance with the Weekly-Salaried Relief Clause of this Agreement.

NOTE

Failure to notify and/or request further extension accordingly will require payment of the penalty described in the appropriate Weekly-Salaried Relief Clause of this Agreement.

9.0 HOURS OF WORK

9.1 Hours of Work – General

1. Weekly-salaried employees whose basic hours of work are 35 hours per week may be periodically required to change their work location and to work 40 hours per week or the same hours as field staff. All hours in excess of seven hours per day, Monday to Friday, are to be paid at the appropriate premium rate.
2. Certain technician classifications which have been established on a 40-hour week basis shall continue to work normal hours of 40 hours per week but when on field work may be required to work the same hours as the field staff.
3. Employees⁸ in the following classifications and other similar categories as yet undefined who by the nature of their jobs, are required to make public, business or trade contacts outside normal hours shall work a normal work week of 35 hours, Monday to Friday:

Applications Technician
Customer Service Assistant
Service Specialist

Owing to the controlling influences from outside agencies, the normally established daily hours of starting and quitting may require changes. In such instances these changes will be the prerogative of the Company.

4. The normal work week of all weekly-salaried employees of the Corporate Mailing Section shall be 35 hours per week consisting of five days of seven hours per day, Monday to Friday inclusive. Such employees shall normally be free to select variable working hours within the period 7:30 am to 5:30 pm in accordance with Subsection 9.3.

Where, in the opinion of the Company, such selections fail to maintain an effective mail service, the Company may establish hours of work between 7:30 am and 4:30 pm for all employees on the basis of weekly work schedules which shall be posted in the work location seven days in advance of their application. Early starting times shall be rotated equitably among the staff.

⁸ The provisions of Article 4.2(c) and the following Hours of Work – Specific will have no application to these employees.

9.2 Hours of Work – Specific

With the exception of shift work, head office hours shall be a 35-hour week

8:30 am – 12:00 noon (Monday through Friday)

1:00 pm – 4:30 pm (Monday through Friday)

9.3 Variable Working Hours in Head Office

Employees will be requested each month to select their standard work period for the following month. The work week will consist of five, seven-hour days, Monday to Friday. The hours of work selected must be in accordance with the observation of core working hours of 9:00 a.m. to 11:45 and 1:15 to 3:00.

Employees may select a starting time which is not earlier than 7:00 a.m. and not later than 9:00 a.m. or at 1/4 hour intervals prior to that. Their finishing time will not be earlier than 3:00 p.m. They may select either a 30, 45, 60, 75 or 90 minute lunch period to be taken between 11:45 a.m. and 1:15 p.m. By mutual agreement of the supervisor and the employee a start time may be set as early as 6:30 a.m. with a finishing time no earlier than 2:30 p.m.

The hours of work selected are subject to the supervisor's approval. The supervisor may, if necessary, restrict some employees to the hours of 8:30 am to 4:30 pm (for 35 hour per week employees). The supervisor may not assign 35 hour per week employees to hours of work outside of 8:30 am to 4:30 pm, except as provided for in Part 'D', Section 4.0 – Overtime.

Where in the Company's opinion, a work unit cannot be operated satisfactorily under variable working hours, they will not be implemented in that unit.

Individual deviation from selected work schedules will require the supervisor's prior approval.

9.4 Hours of Work – Outside Head Office

Hours of work (including variable hours of work) in locations other than head office shall be negotiated by the Company and the Chief Steward of the Union.

Where in the Company's opinion, a work unit cannot be operated satisfactorily under variable working hours, they will not be implemented in that unit.

9.5 Hours of Work – Miscellaneous

The normal weekly hours of work shall be 40 for the following classifications and other similar categories as yet undefined:

Line Inspectors
Helicopter Pilots
Air Engineers

NOTE

Meal allowance will only apply when the employee has worked two hours beyond a normal eight-hour day.

10.0 SHIFT WORK

10.1 Shift Differential and Shift Work

It is recognized that from time to time it may be necessary, due to the nature of the Company's operations, to place certain weekly-salaried day working employees on shift work. Where this occurs, the following provisions will apply:

1. Shift work shall not be implemented for a period of three working days or less. If the working period is three days or less, the appropriate premium rate will be paid for the minimum three-day period.
2. The Company will provide 72 hours' (three calendar days) posted notice of the commencement and termination of a shift. Failure to provide such notice will require a penalty payment of premium rates for all changed hours of work within the notice period.
3. Such a placing on shift work shall not deprive an employee of his/her total number of normal scheduled weekly hours.
4. Revision to the work schedule shall provide for a minimum of 15 hours off between shifts. Failure to provide such time off will require the penalty payment for the first affected shift.
5. Shift differential shall apply to employees required to work on a three-shift schedule or a two-shift schedule and shall not apply for overtime hours.
6. Shift work will be scheduled on a Monday to Friday basis.
7. Work in excess of the total number of normal daily hours will be paid at the appropriate overtime rates.

8. The following shift differentials shall apply:
 - (a) Seventy cents per hour to employees scheduled to work between the hours of 1600 and 2400.
 - (b) One dollar per hour to employees scheduled to work between the hours of 0000 and 0800.
9. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 07:00 and 18:00.

10.2 Shift Work – Microwave Alarm Centre Technicians

These employees shall be covered by the provisions of 10.1 except those listed below.

The following items as set out in Part D will not apply to the position of microwave attendant.

1. Section 9.1: Hours of Work – General
2. Section 9.2: Hours of Work – Specific
3. Section 9.4: Hours of Work – Outside Head Office
4. Section 10.1: Shift Differential and Shift Work
5. Section 11.3 number 4: Payment for Overtime
6. Section 11.4
7. Section 11.2: Minimum Payments – Overtime

The following provisions will also apply to the position of microwave alarm centre technician:

10.2.1 Hours of Work and Schedule Provisions

The content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of attendants at each station for a particular basic type of schedule will be adopted. Such preferences will be made known to the Company prior to commencement of preparation of new schedule.

However, if in the Company's opinion, the efficiency of the station or the health of a technician could be detrimentally affected by the chosen schedule, then the Company will provide the Union (chief steward) with reasons or medical opinions why the desired schedule cannot be implemented.

The preference of individual technicians regarding vacation periods will be considered, providing such preferences are made known prior to commencement of preparation of new schedules.

1. A six-month regular schedule, averaging 40 hours per week, posted one month in advance, will be prepared and posted, indicating the days and hours of work (shift) for each employee. The design of the regular schedule shall provide for a minimum of 16 hours off between shifts.
2. Each employee shall have his/her time balance adjusted to zero at the end of the shift cycle nearest to April 30 and October 31. The actual date for striking the balance is to be indicated on the master schedule at the time of posting. Plus time balances shall be paid for at premium rate.

10.2.2 Schedule Alterations

A minimum of seven days' notice shall be given when an employee's hours of work, as shown on the schedule, are to be changed with the following exceptions:

1. Supernumerary hours of work may be changed within a calendar day to supply relief providing a minimum notice of 16 non-working hours is given before the start of the first affected shift. If sufficient notice cannot be provided, this change will not be made.
2. With a minimum of four days' notice, supernumerary days of work may be interchanged with scheduled days off for purposes of relief, meetings (excluding meetings involving the Union), interviews, short leaves of absence, familiarization trips, training programs and for additional help during heavy work load periods. If more than four weeks separates a scheduled supernumerary day from a scheduled day off or four days' notice cannot be given then these may not be interchanged.
3. In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

10.2.3 Penalties

Failure to comply with the notice provisions set out in Subsection 10.2.1(1) and 10.2.2 above shall require the payment of appropriate premium rates until the notice period has elapsed.

NOTE

In the above revisions every effort will be made by the Company to maintain the minimum of 16 hours off

between shifts. However, where it is necessary to do so and with the appropriate notice, less than 16 hours off between shifts may be scheduled. These short changes will be limited to two changes per employee for a posted master schedule.

10.2.4 Overtime Definitions

Prearranged Overtime: Work performed outside normal scheduled hours for which notification must be given a minimum of 48 hours in advance, for which time shall be counted from the time the employee reports at his/her headquarters until he/she finishes work at headquarters. In the case of failure to give 48 hours' notice such overtime shall be considered extension or emergency overtime and subject to provisions below.

Extension Overtime: Extension overtime covers work performed outside of normal scheduled hours as continuation or extension of the normal work period in order to complete necessary specific jobs during that work period and for which time shall be counted from normal quitting time until the employee finishes work less any assigned meal periods.

Emergency Overtime: Work outside normal scheduled hours for which there is no prearrangement, or which cannot be considered extension overtime. Such time will be counted from when the employee reports for work at the station until he/she finishes work at the station.

10.2.5 Minimum Payments

1. When minimum payments do not apply, one hour at straight time will be paid in lieu of time spent travelling.
2. All emergency overtime worked shall receive a minimum payment of four hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater. Time shall be counted from the time the employee arrives at his/her regular work headquarters until he/she finishes work at that headquarters.
3. All prearranged work outside normal hours performed or reported for due to lack of notice of cancellation on a scheduled day of work shall receive a minimum of two hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater.
4. All prearranged work performed or reported for due to lack of notice of cancellation on a scheduled day off shall receive a minimum of four hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater.
5. All prearranged overtime work cancelled within 48 hours of the designated work commencement time shall require payment of two hours at the basic rate to all affected employees.

10.2.6 Special Provisions Concerning Overtime

An employee who is required to work continuously for more than 16 hours shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

10.2.7 Premium Payments

The computing of hourly rates for overtime shall be in accordance with the following:

The basic weekly rate of each employee's classification as set out in salary schedule 20, without any increments, premiums or bonuses, shall be divided by 40.

10.2.7.1 Unscheduled Work

As per Part D Item 11.3(1) and (2), paragraphs 1 and 2.

10.2.7.2 Scheduled Work

One and one-half times the employee's basic rate shall be paid for all hours worked on Saturday, Sunday and statutory holidays which occur Monday to Friday inclusive.

Two times the employee's basic rate shall be paid for all hours worked on a statutory holiday which occurs on Saturday.

NOTE

These employees shall receive entitlement for the same number of statutory holidays as Monday-Friday, day-working, weekly-salaried employees. Therefore, when a statutory holiday falls on a Saturday, statutory holiday credit shall not apply.

10.2.8 Shift Differential

A shift differential of 70 cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.

A shift differential of 1 dollar per hour shall be paid to employees who are scheduled to work between the hours of 0000 to 0800. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 0700 and 1800.

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment for shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential.

10.3 Shift Work – CADS Personnel

The provisions of this Agreement shall apply to those employees hired after April 1, 1980 and designated by the Company as being required to work shift work to operate the Computer Aided Drafting System (CADS).

1. Employees hired prior to April 1, 1980 will have their day status protected until such time as they apply for and are accepted to a position requiring shift work. Every effort will be made to provide these employees with exposure to CADS work during day hours.
2. Future vacancy notices will identify whether or not shift work is a requirement. The number of shift positions which will be advertised will not exceed that required for the economic utilization of the terminals. Shift positions will be comprised of intermediate, senior and design draftspersons.
3. Applicants to advertised vacancies will not be denied promotion due to the lack of opportunity for training on CADS equipment.
4. Employees who are selected to vacancies which are identified as requiring shift work will be subject to the provisions of this Agreement.
5. Day status employees may volunteer for a trial period of shift work after which time they may either apply for a shift position when vacant or retain their day status as in 1. above.

The provisions of Part 'D' (Weekly-Salaried) of the Collective Agreement shall apply with the exception of:

1. Section 9.2: Hours of Work – Specific
2. Section 10.1: Shift Differential and Shift Work

The following items will apply to the employees working with the CADS:

10.3.1 Hours of Work – Day Work

Employees as defined in this Agreement, may be required to work on “day work”. Day work may include assignments to conventional drafting or to CADS equipment. When employees are transferred to or from day work a minimum of seven days’ notice shall be given. When working day work the provisions of Part ‘D’ (Weekly-Salaried) shall apply.

10.3.2 Working Conditions – Shift

10.3.2.1 Work Schedules

Although the content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of shift workers for a particular basic type of schedule will be adopted, provided it meets the requirements of the Company for effective operation of the system.

A shift schedule covering a nine week period will be posted a minimum of 14 days before its effective date. The schedule will show the days, hours of work (shifts) for each employee.

For purposes of this Agreement, the shift schedule shall be comprised of an afternoon and/or night shift in addition to day work. The shift rotation guidelines shall permit an employee to remain on one specific shift for a maximum period of three consecutive weeks without rotation. Assignments to day work are not subject to this limitation.

The design of the schedule will provide for a minimum of 14 hours off between shifts.

10.3.2.2 Hours of Work – Specific

The normal hours of work will be seven hours per day, 35 per week on a Monday to Friday basis.

The shift work hours shall be as follows:

1. Afternoon – 1630 – 2330 hours
2. Night – 0000 – 0700 hours

10.3.3 A minimum of seven days’ notice shall be given when an employee’s hours of work as shown on the schedule are to be changed.

In the case of illness, which would result in a staff shortage, four (4) days’ advance notice will be given when placing an employee on shift.

10.3.4 Failure to comply with the notice provisions set out in Section 10.3(1) and (3) of this Agreement shall require the payment of appropriate premium rates for all full shifts worked until the notice period has elapsed.

10.3.5 Shift Differential

A shift differential of 70 cents per hour shall be paid to employees who work scheduled hours between 1630 and 2330.

A shift differential of 1 dollar per hour shall be paid to employees who work scheduled hours between 0000 and 0700. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between 0700 and 1800.

The appropriate shift differential shall be paid for the scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment for shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential.

10.3.6 Shift work will not be scheduled on statutory holidays Monday to Friday.

10.4 Shift Work – Technical Staff (Instructor)

10.4.1 Applicability

This section covers the following classification: Instructor.

10.4.2 Intent

The intent of this section is to provide a framework within which employees in the above named classifications may be assigned to shift work on a Monday to Friday basis for limited periods of time. The “limited period” is to be less than three months in each year for each employee unless the employee involved specifically consents to an extension.

10.4.3 Implementation

When shift work is required, management will solicit preferences for shift work from the employees in the required classifications. If employees with the required skill, knowledge, experience, etc., indicate a preference for shift work, management will select from among these employees. If insufficient qualified volunteers are available, management will assign the shift work to qualified employees, endeavouring to minimize personal inconvenience.

10.4.4 Duration of Shift Hours

The employees who may be required to work shifts under this section include both 35 and 40 hour per week positions. They will work a time balanced schedule.

Forty hour per week employees when assigned to shift work will work the same hours as regular shift workers on shift.

Thirty-five hour per week employees when assigned to shift work will normally work seven-hour shifts. This may, at management's discretion, be increased to eight-hour shifts.

10.4.5 Special Provisions When on Shift

1. Shift work shall not be implemented for a period of three working days or less. If the working period is three days or less, the appropriate premium rate will be paid for the minimum three-day period.
2. The Company will provide 72 hours' (three calendar days) posted notice of the commencement and termination of a shift. Failure to provide such notice will require a penalty payment of premium rates for all changed hours of work within the notice period.
3. Such a placing on shift work shall not deprive an employee of his/her total number of normally scheduled weekly hours.
4. Revision to the work schedule shall provide for a minimum of 15 hours off between shifts. Failure to provide such time off will require the penalty payment for the first affected shift.
5. Shift differential shall apply to employees required to work on a three-shift schedule or a two-shift schedule and shall not apply for overtime hours. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between 0700 and 1800.
6. Work in excess of the total number of normal daily hours will be paid at the appropriate overtime rates.

10.4.6 Deleted Provisions When on Shift

When an individual is assigned a shift and the provisions of 10.4.5 are in effect, the following provisions of Part 'D' will not apply:

1. Section 9.1: Hours of Work – General
2. Section 9.2: Hours of Work – Specific
3. Section 9.4: Hours of Work – Outside Head Office

11.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

11.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Prearranged Overtime: Work performed outside the normal scheduled hours for which notification must be given a minimum of 24 hours in advance (21 hours for computer sub-branch shift working employees). Time shall be counted from the time the employee reports for work until the employee finishes work. Where this advance notice is not given, overtime shall be considered as emergency overtime.

Emergency Overtime: Work performed outside the normal scheduled hours which is neither prearranged nor extension overtime. Time shall be counted from the time the employee reports for work until the employee finishes work.

Extension Overtime: Work performed outside the normal scheduled hours as an extension of the normal scheduled hours/shift (either immediately preceding or following the normal scheduled hours/shift). Time shall be counted from the time the employee reports for work until normal starting time or from normal quitting time until the employee finishes work. Extension overtime will not be used for controllers/dispatchers/trainees where coverage is required for a complete shift and a controller/dispatcher/trainee is available.

11.2 Minimum Payments

All Part 'D' weekly-salaried employees who are called out to work overtime with or without notice shall receive the following:

When minimum payments apply no travel allowance will be paid.

1. All prearranged overtime performed or reported for due to lack of notice of cancellation, Monday to Friday inclusive, shall receive a minimum of two hours at straight time or the actual time worked at the appropriate premium rates, whichever is the greater.
2. All prearranged overtime cancelled with 48 hours of the designated time of work commencement shall require payment of two hours at straight time.

3. All prearranged overtime performed or reported for due to lack of notice of cancellation on Saturdays, Sundays and statutory holidays shall receive a minimum payment of four hours at straight time or the actual time worked at the appropriate premium rates, whichever is the greater.
4. This shall not apply where the overtime period commences on a Saturday, Sunday or statutory holiday, as part of a longer overtime period continuing into the next calendar day.
5. All emergency overtime work shall receive a minimum payment of four hours at straight time or the actual time worked at the appropriate premium rate, whichever is the greater, providing short emergency calls are not repeated within one hour of the completion of a previous call for which the four-hour minimum was paid.

If the call-out occurs less than two hours before the commencement of normal starting time, the minimum will not apply and the appropriate premium rate will be paid continuously from the call-out time until normal starting time.

6. Minimum payments will not apply to concrete inspectors required to work up to two and one-half hours overtime on Friday unless an extra trip to work is required.

11.3 Premium Payments

Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Premium payment for overtime shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours after normal quitting time, Monday to Friday inclusive. It will also apply to the first two hours of overtime worked on an unscheduled day of work.
2. Two times the employee's basic rate shall be paid for:
 - All work performed outside of the first two hours after normal quitting time, Monday to Friday inclusive, and after the first two hours on an unscheduled day of work.
 - All work performed on Saturday, Sunday and statutory holidays which occur Monday to Friday.
3. Overtime rates shall be computed by dividing the employee's basic weekly salary by his/her normal weekly hours of work.

4. Helicopter pilots and line maintenance supervisors (helicopters) whose hours of work are dependent upon weather conditions and other variables inherent in the nature of their jobs do not, except as noted below, receive payment in money for overtime. Compensation for overtime worked shall be made in the form of time off with pay. This time off shall be determined on the basis of one and one-half hours off for each hour worked during the first two (2) clock hours after normal quitting time. For overtime worked outside the first two (2) clock hours after normal quitting time or on Saturdays, Sundays and Statutory Holidays time off shall be at two hours for each hour worked. Time off will be at a time convenient to the Company and the employee. The Company may assign time off to reduce the overtime bank up to twelve (12) days (8 hours per day) per employee per calendar year. Any balance beyond twelve (12) days (8 hours per day) shall be paid at the appropriate rate on the next pay period after April 30th and August 31st. The equivalent time off shall reach a zero balance during the month of December each year.

In the event that this is not accomplished, all outstanding overtime as of December 31 shall be paid for at the appropriate rates. When it is accomplished, any further occurrence of overtime between the date of zero balance and December 31 will be subject to accumulation if necessary and considered for the following year.

11.4 Special Provisions Concerning Overtime

1. In order to alleviate excessive inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees. Where employees feel they have been assigned abnormal amounts of overtime, consideration of such cases shall be considered fit matter for discussion at local level.
2. The Company agrees to control excessive authorized overtime by restricting actual overtime to not more than 12 hours per week, excluding travelling time. Under extraordinary circumstances, the Union will consider waiving the restrictive features of this clause.
3. A travelling allowance up to a maximum of one hour shall be paid at the appropriate overtime rate when an employee is called in to work overtime and an extra trip is involved. See also Section 11.2.
4. Because an employee was required to work overtime or because he/she lost time in changing shifts, he/she shall not be prevented from working his/her total number of normal daily hours in any normal scheduled day of work. If the employee cannot be supplied with the work required to make up the normal daily hours of work in that day, his/her pay shall be adjusted to provide a minimum of his /her normal weekly hours of work.

5. If an employee who has worked overtime and is physically capable and the group of which he/she is ordinarily a member is at work, he/she shall not be deprived of the opportunity of working his/her normal scheduled hours in addition to the overtime he/she may have worked.
6. An employee who has accumulated overtime hours shall receive this in earnings, calculated at the appropriate premium rate and cannot be required to take time off in lieu of payment.
7. An employee who is required to work continuously for more than 16 hours or an employee who accumulates 16 hours of working time in any 24 hour period shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work, he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until an eight-hour rest period is granted. Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest period, and his/her right to continue work at straight time will be governed by Section 11.4(5).

8. ***An employee on day work who is required to work 4 but less than 6 accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to a 4 hour rest period.***
9. ***An employee on day work who is required to work 6 or greater accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to an 8 hour rest period.***
10. ***If the rest period in 8 and 9 above extends into the employee's normal scheduled hours of work, he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. Should the employee be required to continue working during normal scheduled hours, the employee shall be paid at two times his/her normal basic rate until the rest period is granted.***

None of the provisions of Subsections 11.4(1), (2), (4), (5) and (6) is applicable to employees referred to in Section 9.1(4).

11.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

- (a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed during the first two clock hours after the normal quitting time of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours after the classification's normal quitting time.

and/or

- (b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours worked in a day. Two times the employee's basic rate for all work performed in excess of two hours in a day.

and/or

- (c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

11.6 Equivalent Time Off Without Pay

See Part 'A' Section 10.2

11.7 Overtime – Marketing and Audio, Visual, Writing and Graphic Design Services

Employees identified in Part D Section 9.1(4) and Audio, Visual, Writing and Graphic Design Services employees shall be paid for all overtime work performed in accordance with Section 11.3.

Employees identified in Part D Part A Section 9.1(4) and Audio, Visual, Writing and Graphic Design Services employees who, by the nature of their jobs, are required to make public, business or trade contacts outside normal hours may, where mutually agreed between the employee and the supervisor, take time off in lieu of payment for overtime. Where it is agreed that time off in lieu will be taken, such time will be credited on a premium basis in the same manner as would apply if payment had been made. Such time off must be arranged within a two-month period following the date overtime was worked. If this cannot be arranged within the two-month period, payment shall be made.

**TIME ENTITLEMENT –
INFORMATION MANAGEMENT FACILITIES**

	Monday to Friday	Saturday	Sunday	Statutory Holiday Monday to Friday	Statutory Holiday Saturday
Scheduled Hours of Work	Straight Time	Straight Time	Time and one-half	Time and one-half plus statutory holiday credit	Time and one-half
Non-Scheduled Hours of Work	First <i>two</i> clock hours worked after normal quitting time at one and one-half times. All other hours worked at 2 times.	Double Time	Double Time	Double time plus statutory holiday credit	Double Time
Scheduled Day Off	No Entitlement	No Entitlement	No Entitlement	Statutory Holiday Credit	No Entitlement

**TIME ENTITLEMENT –
MICROWAVE ALARM CENTRE TECHNICIANS**

	Monday to Friday	Saturday	Sunday	Statutory Holiday Monday to Friday	Statutory Holiday Saturday
Scheduled Hours of Work	Straight Time	Time and one-half	Time and one-half	Time and one-half plus statutory holiday credit	Double Time
Non-Scheduled Hours of Work	First <i>two</i> clock hours after normal quitting time at one and one-half times. All other hours worked at 2 times.	Double Time	Double Time	Double time plus statutory holiday credit	Double Time
Scheduled Day Off	No Entitlement	No Entitlement	No Entitlement	Statutory Holiday Credit	No Entitlement

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
 - DOLLARS PER WEEK

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,140.37	2,208.68	2,276.99
67	2,019.23	2,083.68	2,148.12
66	1,905.12	1,965.92	2,026.72
65	1,797.70	1,855.08	1,912.45
64	1,696.47	1,750.61	1,804.75
63	1,601.17	1,652.27	1,703.37
62	1,511.46	1,559.69	1,607.93
61	1,426.95	1,472.49	1,518.03
60	1,347.35	1,390.35	1,433.35
59	1,272.40	1,313.01	1,353.62
58	1,198.23	1,236.47	1,274.71
57	1,128.48	1,164.49	1,200.51
56	1,062.70	1,096.61	1,130.53
55	1,000.81	1,032.75	1,064.69
54	942.51	972.59	1,002.67
53	887.60	915.93	944.26
52	835.92	862.60	889.28
51	787.19	812.32	837.44

This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with item 3 of Part A.

Labour Relations
 Effective: April 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
 - DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>LIBRARIANS</u>						
02	Librarian	1,508.00	1,546.00	1,633.00	1,681.00		
	<u>HELICOPTER POSITIONS</u>						
21	Air Engineer	1,743.25	1,780.18	1,813.42	1,846.66		
22	Helicopter Pilot	2,320.50	2,430.36	2,556.30	2,679.56		
24	Helicopter Maintenance Inspector	1,920.66	1,956.56	1,994.45			
	<u>AUDIO-VISUAL, WRITING AND GRAPHIC DESIGN SERVICES</u>						
33	Editorial Assistant	1,189.86	1,274.85	1,361.30	1,455.34		
34	Artist	1,262.10	1,399.00	1,517.15	1,637.17	1,755.32	1,875.34
41	Assistant Environment Specialist	1,576.71	1,675.26	1,773.80	1,872.35	1,970.89	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
Effective: April 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
 - DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>
	<u>COMMUNITY COLLEGE STUDENTS</u>	1st year	2nd year	3rd year	
21	Group 2 - Community College and Polytechnical	734.88	821.40	906.84	
		1st or			
		2nd Term	3rd Term	4th Term	5th Term
22	Group 3 - Community College and Polytechnical Co-Op Programs	734.88	777.43	883.98	906.84

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>UNIVERSITY STUDENTS</u>	1st year	2nd year	3rd year	4th year		
31	Group 4 - University	767.51	906.84	1,046.97	1,186.01		
		1st or					
		2nd Term	3rd Term	4th Term	5th Term	6th Term	7th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	28 mo
32	Group 5 - University Co-Op Programs	767.51	837.01	977.47	1,046.97	1,116.51	1,186.01

NOTES:

1. This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.
2. Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
3. Students will normally be required to join the PWU within 15 days.
4. The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - 4.1 Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
 - 4.2 When a student is placed in a Clerical-Technical position for which a wage or salary grade has been established, the student shall be paid the rate for that position.
5. Allowance will be paid to a summer student in accordance with the normal practice for the setting in which the student works.



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	595.86
02	2nd year of employment	645.49

Labour Relations
Effective: April 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
 - DOLLARS PER WEEK

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,161.77	2,230.77	2,299.76
67	2,039.42	2,104.51	2,169.60
66	1,924.17	1,985.58	2,046.99
65	1,815.68	1,873.62	1,931.57
64	1,713.43	1,768.12	1,822.80
63	1,617.18	1,668.79	1,720.40
62	1,526.67	1,575.29	1,624.01
61	1,441.22	1,487.21	1,533.21
60	1,360.82	1,404.25	1,447.68
59	1,285.13	1,326.15	1,367.16
58	1,210.21	1,248.84	1,287.46
57	1,139.77	1,176.14	1,212.62
56	1,073.33	1,107.58	1,141.84
55	1,010.82	1,043.08	1,075.34
54	951.94	982.32	1,012.70
53	896.48	926.09	953.70
52	844.28	871.22	898.17
51	795.06	820.44	845.81

This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
Effective: October 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>LIBRARIANS</u>						
02	Librarian	1,524.00	1,562.00	1,649.00	1,678.00		
	<u>HELICOPTER POSITIONS</u>						
21	Air Engineer	1,760.68	1,797.99	1,831.56	1,865.13		
22	Helicopter Pilot	2,343.71	2,454.67	2,581.87	2,706.36		
24	Helicopter Maintenance Inspector	1,939.86	1,976.12	2,014.39			
	<u>AUDIO-VISUAL, WRITING AND GRAPHIC DESIGN SERVICES</u>						
33	Editorial Assistant	1,201.75	1,287.59	1,374.91	1,479.99		
34	Artist	1,274.72	1,412.99	1,532.32	1,663.54	1,772.87	1,894.09
41	Assistant Environment Specialist	1,692.48	1,692.01	1,781.54	1,881.07	1,990.60	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: October 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
 - DOLLARS PER WEEK

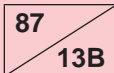
<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>
	<u>COMMUNITY COLLEGE STUDENTS</u>	1st year	2nd year	3rd year	
21	Group 2 - Community College and Polytechnical	742.23	829.61	915.61	
		1st or	2nd Term	3rd Term	4th Term
22	Group 3 - Community College and Polytechnical Co-Op Programs	742.23	795.20	872.62	915.61

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>UNIVERSITY STUDENTS</u>	1st year	2nd year	3rd year	4th year		
31	Group 4 - University	775.19	915.61	1,057.44	1,197.87		
		1st or	2nd Term	3rd Term	4th Term	5th Term	6th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	28 mo
32	Group 5 - University Co-Op Programs	775.19	845.38	987.24	1,057.44	1,127.68	1,197.87

NOTES:

- This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.
- Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
- Students will normally be required to join the PWU within 15 days.
- The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
 - When a student is placed in a Clerical-Technical position for which a wage or salary grade has been established, the student shall be paid the rate for that position.
- Allowance will be paid to a summer student in accordance with the normal practice for the setting in which the student works.

Labour Relations
Effective: October 1, 2013



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	601.82
02	2nd year of employment	651.94

Labour Relations
Effective: October 1, 2013

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
 - DOLLARS PER WEEK

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,194.20	2,264.23	2,334.26
67	2,070.01	2,136.08	2,202.14
66	1,953.03	2,015.36	2,077.69
65	1,842.91	1,901.72	1,960.54
64	1,739.13	1,794.64	1,850.14
63	1,641.44	1,693.82	1,746.21
62	1,549.47	1,598.92	1,648.37
61	1,462.84	1,509.52	1,556.21
60	1,381.24	1,425.32	1,469.40
59	1,304.41	1,346.04	1,387.67
58	1,228.36	1,267.57	1,306.77
57	1,156.87	1,193.79	1,230.71
56	1,089.43	1,124.20	1,156.97
55	1,025.98	1,058.73	1,091.47
54	966.22	997.05	1,027.89
53	909.93	938.97	968.01
52	856.94	884.29	911.54
51	806.99	832.75	858.50

This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: April 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
 - DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>LIBRARIANS</u>						
02	Librarian	1,548.00	1,585.00	1,674.00	1,763.00		
	<u>HELICOPTER POSITIONS</u>						
21	Air Engineer	1,787.10	1,824.96	1,869.03	1,693.11		
22	Helicopter Pilot	2,378.87	2,491.49	2,620.80	2,746.96		
24	Helicopter Maintenance Inspector	1,868.96	2,005.76	2,044.61			
	<u>AUDIO-VISUAL, WRITING AND GRAPHIC DESIGN SERVICES</u>						
33	Editorial Assistant	1,219.76	1,306.91	1,395.53	1,502.19		
34	Artist	1,293.84	1,434.19	1,555.30	1,678.34	1,799.46	1,922.50
41	Assistant Environment Specialist	1,616.37	1,717.39	1,618.41	1,919.44	2,020.46	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

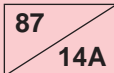
Labour Relations
Effective: April 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
 - DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>		
	<u>COMMUNITY COLLEGE STUDENTS</u>	1st year	2nd year	3rd year			
21	Group 2 - Community College and Polytechnical	753.36	842.05	929.34			
		1st or					
		2nd Term	3rd Term	4th Term	5th Term		
22	Group 3 - Community College and Polytechnical Co-Op Programs	753.36	796.98	885.71	929.34		
<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>UNIVERSITY STUDENTS</u>	1st year	2nd year	3rd year	4th year		
31	Group 4 - University	786.82	929.34	1,073.30	1,215.84		
		1st or					
		2nd Term	3rd Term	4th Term	5th Term	6th Term	7th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	28 mo
32	Group 5 - University Co-Op Programs	786.82	858.06	1,002.05	1,073.30	1,144.60	1,215.84

NOTES:

1. This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.
2. Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
3. Students will normally be required to join the PWU within 15 days.
4. The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - 4.1 Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
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5. Allowance will be paid to a summer student in accordance with the normal practice for the setting in which the student works.



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	610.86
02	2nd year of employment	661.72

Labour Relations
Effective: April 1, 2014

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HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
 - DOLLARS PER WEEK

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,216.14	2,286.87	2,357.60
67	2,090.71	2,157.44	2,224.16
66	1,972.56	2,035.52	2,098.47
65	1,861.34	1,920.75	1,980.15
64	1,756.52	1,812.58	1,868.64
63	1,657.85	1,710.76	1,763.67
62	1,564.96	1,614.90	1,664.85
61	1,477.46	1,524.62	1,571.77
60	1,395.04	1,439.57	1,484.09
59	1,317.46	1,359.50	1,401.55
58	1,240.65	1,280.24	1,319.84
57	1,168.44	1,205.73	1,243.02
56	1,100.33	1,135.44	1,170.56
55	1,036.24	1,069.31	1,102.38
54	975.88	1,007.02	1,038.17
53	919.03	948.36	977.69
52	865.51	893.14	920.76
51	815.06	841.08	867.09

This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
 Effective: October 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
 - DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>LIBRARIANS</u>						
02	Librarian	1,562.00	1,601.00	1,691.00	1,720.00		
	<u>HELICOPTER POSITIONS</u>						
21	Air Engineer	1,804.97	1,843.21	1,877.62	1,912.04		
22	Helicopter Pilot	2,402.66	2,516.41	2,646.31	2,774.43		
24	Helicopter Maintenance Inspector	1,988.65	2,025.82	2,065.08			
	<u>AUDIO-VISUAL, WRITING AND GRAPHIC DESIGN SERVICES</u>						
33	Editorial Assistant	1,231.97	1,319.97	1,409.49	1,517.21		
34	Artist	1,306.78	1,448.53	1,570.86	1,695.13	1,817.46	1,941.73
41	Assistant Environment Specialist	1,632.53	1,734.56	1,836.59	1,938.83	2,040.86	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

Labour Relations
Effective: October 1, 2014

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
 - DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>		
	<u>COMMUNITY COLLEGE STUDENTS</u>	1st year	2nd year	3rd year			
21	Group 2 - Community College and Polytechnical	760.89	850.47	938.63			
		1st or					
		2nd Term	3rd Term	4th Term	5th Term		
22	Group 3 - Community College and Polytechnical Co-Op Programs	760.89	804.96	894.57	938.63		
<u>GRADE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
	<u>UNIVERSITY STUDENTS</u>	1st year	2nd year	3rd year	4th year		
31	Group 4 - University	794.69	938.63	1,084.03	1,228.00		
		1st or					
		2nd Term	3rd Term	4th Term	5th Term	6th Term	7th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	28 mo
32	Group 5 - University Co-Op Programs	794.69	886.64	1,012.07	1,084.03	1,155.05	1,228.00

NOTES:

1. This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.
2. Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
3. Students will normally be required to join the PWU within 15 days.
4. The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - 4.1 Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
 - 4.2 When a student is placed in a Clerical-Technical position for which a wage or salary grade has been established, the student shall be paid the rate for that position.
5. Allowance will be paid to a summer student in accordance with the normal practice for the setting in which the student works.

Labour Relations
 Effective: October 1, 2014

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HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
- DOLLARS PER WEEK

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	616.96
02	2nd year of employment	663.34

Labour Relations
Effective: October 1, 2014

NOTES

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NOTES

APPENDIX “A”

**for Construction and
Supplementary Maintenance**

made and entered into

BETWEEN

**HYDRO ONE INC.
(the “Employer”)**

and

**POWER WORKERS’ UNION (PWU)
(hereinafter called the “Union”)**

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Hydro One Inc./ Power Workers' Union Appendix

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SECTION 1 PREAMBLE

100 WHEREAS the Union, as defined in the covering page of this Collective Agreement, has in its membership competent, skilled and qualified workers to perform the work coming within scope of this agreement; and

WHEREAS Hydro One Inc. and the Union desire to mutually establish and stabilize wages, hours and working conditions for all employees of Hydro One Inc. performing construction and supplementary maintenance work and further, to encourage closer co-operation and understanding between Hydro One Inc. and the Union to the end that a satisfactory, continuous and harmonious relationship will exist between the parties to this Agreement.

NOW THEREFORE, The Company and the Union mutually agree that the working conditions as set out below shall be applicable to these employees of Hydro One Inc.

SECTION 2 SCOPE OF AGREEMENT

- 200
- A. Hydro One Inc. recognizes the Union as the sole bargaining agent for all employees who perform construction and maintenance work save and except that work which is performed by other unions within the scope clauses of their current Collective Agreements with Hydro One Inc.
- B. This section applies to all work as defined in A. above save and except that work which is performed by PWU regular employees as defined in the main agreement and shall include the following classifications:

Electrician Journeyperson including senior forepersons, forepersons and sub-forepersons
Electrician Apprentice
Electrical Forester – Journeyperson including senior foreperson, forepersons and sub-forepersons
Electrical Forester – Apprentice
Electrical Forester – Skidder Operator, including senior foreperson, forepersons and sub-forepersons
Electrical Forester – Labourer including senior foreperson, forepersons and sub-forepersons
Linepersons (formerly lineman) including senior forepersons, forepersons and sub-forepersons
Line Apprentice
Communication Electrician including senior foreperson, forepersons and sub-forepersons

Mechanical Trades Persons including senior foreperson, forepersons and sub-forepersons
Mechanical Trade Apprentice
Civil Trade Apprentice
Civil Trades Persons including senior forepersons, forepersons and sub-forepersons
General Helper
Meter Reader
Meter Reader 'B'
Stockkeeper
Operator 1, 2, 3
Meter Reader Data Collector
Cable Splicer
Protection and Control Technologist
Civil Uncertified – Lines
Civil Uncertified – Stations Services

Such other classifications subsequently agreed to by the parties.

An employee of any classification required to operate vehicles or work equipment shall have a current license as required by provincial legislation.

Additional Classifications:

On the request of the Hydro One Inc. Vice President Labour Relations, or the PWU Sector Vice President, the parties will meet to discuss the merits of adding any new classifications.

The parties will consider adding a classification when:

1. Work is required in the classification and,
2. Regular employees are not available to perform the work and,
3. The work is not ongoing in nature.

Nothing in this clause limits the current right of Hydro One Inc. to hire temporary employees in those classifications not included in Appendix "A".

- C. The Union recognizes Hydro One Inc. as the exclusive Employer agency for this Agreement, and in all matters pertaining to the administration of this Agreement.

- D. The term “employee” refers to all casual employees of the Employer in the classifications as set out in Item B above.
- E. A sub-foreperson is an individual who exercises some supervisory responsibility and may use the tools of the trade.
- F. The term “Employer” shall mean Hydro One Inc.

201 A. This Agreement shall be deemed to include any additional Appendix and/or wage schedule added, as the said appendices and/or wage schedules may be revised by Hydro One Inc. and the Union by mutual agreement, from time to time.

202 Geographic Jurisdiction

- A. The jurisdiction of the Union is all of Hydro One Inc.

SECTION 3 MID-TERM AGREEMENT

302 A. This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto.

SECTION 4 WORK ASSIGNMENT

400 A. No Construction and/or supplementary maintenance work for Network Services shall be contracted or subcontracted except where Network Services does not normally perform the work of the Mechanical and/or Civil Trades, such work may be contracted or subcontracted.

B. Hydro One Inc. will provide notice to the Union as far in advance as possible of all new work coming under the scope of this Appendix and all related contracted or subcontracted work.

C. The jurisdiction of the Union shall be as described in Section 2 of this Appendix.

D. The jurisdiction of each classification shall be established by the Union.

SECTION 5 UNION RIGHTS AND REPRESENTATIVES

501 A. The Union will designate Union representatives as Accredited Union Representatives to handle the day-to-day administration of this Agreement. The

Union will notify Hydro One Inc. Management in writing of the names of such Union representatives, or alternates in the event of illness or unavailability, so that they may be issued identification cards to permit entry to work locations. Upon entering the work location, such representatives after identifying themselves to the Hydro One Inc. representative will be free to observe the progress and conduct of the work and to conduct normal Union business associated with the administration of this Collective Agreement. The Union undertakes that these representatives will not unduly interfere in any way with said work.

502

- A. The Union reserves the right to appoint or remove any Steward or Senior Steward on any work site where workers are employed under the terms of this Agreement. If a Steward is transferred to another worksite, and they will continue to be recognized as a Steward unless there is another Steward on that site. In such cases, the transferred Steward will not be recognized unless the Employer is notified by the Union.
- B. The Hydro One Inc. Representative shall be notified in writing when a Steward or Senior Steward is appointed and when such Stewards cease to act as Stewards.
- C. The Steward will be responsible for his/her regularly assigned work on behalf of his/her Employer.
- D. Such Stewards shall be allowed sufficient time to see that the provisions of this Agreement are observed.
- E. No Steward shall be discriminated against by the Employer because of the performance of their duties as a Steward.
- F. Provided he/she is qualified to do the work, a Steward who is working at a worksite where overtime is being worked shall be given the first opportunity to work on that overtime work.

Provided he/she is qualified to do the work, a Steward who is working in a work group where overtime is being worked on Saturdays, Sundays or Recognized Holidays shall be given the first opportunity to work.

- G. Where appropriate as decided by the Union and where more than one Steward is required, one Steward shall be appointed Senior Steward.

- H. The Senior Steward, providing he/she is qualified to perform the work, shall not have their employment terminated or be transferred without the consent of the Accredited Union Representative until as near as possible to the completion of the job, unless with just cause. Where an Employer has only one Steward appointed for a job, such Steward will receive the same consideration given a Senior Steward as noted above.
- I. The Employer shall notify the Union prior to transferring a Steward to another Superintendent.

503

- A. Any worker acting as the designated or certified Health & Safety representative or alternate as defined by the Occupational Health & Safety Act shall be treated the same as Senior Stewards for purposes of layoff. Providing he/she is qualified to perform the remaining work, the designated certified Health & Safety representative or certified alternate shall be the last to be laid off prior to the Senior Steward.
- B. If management feels that any Health and Safety representative is not discharging his/her health and safety duties in a manner that follows the intent and spirit of the legislation, the Employer may refer the issue to the Joint Committee referred to in Section 15 for resolution. If the matter cannot be resolved by the Joint Committee, the grievance procedure may be invoked.

SECTION 6 EMPLOYEE DESIGNATION

600

- A. It is understood that senior forepersons, forepersons and sub-forepersons hold responsible positions in the relationship between the Employer and the Union. Both parties agree that every effort should be made to recruit and retain senior forepersons, forepersons and sub-forepersons who have a high degree of efficiency in the performance of their jobs and in the handling of their workers. Recognizing the responsibilities involved in performing supervisory duties and being a member of the Union, the Employer and the Union will make every effort to minimize problems that may arise which concern the relationship between the foreperson, senior forepersons and sub-forepersons, the Employer, and the Union.
- B. The parties recognize the responsibilities of senior forepersons and forepersons to discharge their supervisory duties. If the Union feels that the senior

foreperson and foreperson is not discharging his/her supervisory duties in a manner that is fair and equitable, or if an Employer feels that the Union is interfering with the senior foreperson or foreperson in the performance of his/her supervisory duties, the Employer or the Union may refer the problem to the Joint Committee referred to in Section 15 – Committees, Subsection 1500 – Joint Committee, for resolution. If the matter cannot be resolved by the Joint Committee, the grievance procedure may be invoked by either party.

- C. The selection of forepersons will be the responsibility of the Employer and done by name hiring from Union members. When making appointments to the foreperson and subforeperson levels, the Employer will give consideration to those PWU members presently employed pursuant to this Appendix however this does not create an obligation to make an appointment of a foreperson from these employees. The retention of forepersons will be the exclusive right of the Employers.
- D. Such forepersons and subforepersons shall be members of the PWU and shall register at the Union Office be issued with clearance cards. If clearance has not been provided within three (3) working days the Employer may proceed with the employment of the foreperson unless the employee's Union dues are in arrears.
- E. In the interest of efficiency and productivity, the Employer shall have the right to move forepersons and sub-forepersons from worksite to worksite.
- F. The senior forepersons differential shall be fifteen (15) percent above the journeyman rate differential as set out in the existing wage schedule. The senior foreperson has responsibilities over and above the forepersons e.g., multiple crews. The foreperson's differential shall be twelve (12) percent above the journeyman rate differential as set out in the existing wage schedules. The sub-foreperson's differential shall be six (6) percent above the journeyman rate differential as set out in the existing wage schedules. The rates of pay for all forepersons and subforepersons covered by this Agreement will be set forth in the current wage schedules. Hydro One Inc. will provide the Union with current wage schedules.
- G. PWU members acting as a General Foreperson for periods of less than three (3) months shall be members of the Union.

- H. Persons appointed to foreperson and senior forepersons positions will be provided supervisory training, prior to appointment, when possible.
- I. Forepersons may be required to work the tools when the crew size is five (5) or less including the foreperson.
- J. Employees employed under this Appendix shall work in separate crews with separate Union Supervision unless mutually agreed upon otherwise by Management and the PWU Sector Vice President.

SECTION 7 UNION SECURITY

- 700
- A. All employees falling under the scope of this agreement will be members or will apply for membership in the PWU within fifteen (15) calendar days, and will maintain such membership in good standing in the Union as a condition of employment. The Employer will cooperate with the Union but bears no responsibility for policing membership status.

SECTION 8 EMPLOYMENT PRACTICES/HIRING

- 800
- A. A contact person will be designated by Hydro One Inc. for the purpose of co-ordinating employment as specified in this Section.
 - B. Hydro One Inc. and the Union will exchange the names of their representatives who will be responsible for co-operating in the referral and employment of reliable and competent Union members.
 - C. Hydro One Inc. will notify the Union of future staffing requirements for all employees coming within the scope of this Agreement.
 - D. The Union will co-operate with the Employer and advise the Hydro One Inc. contact person of the name, address and telephone number of those being referred as soon as it is known and before the employee commences work.
 - E. The Union will review the job description and Physical Demands Analysis (PDA) with potential employees prior to referral to Hydro One Inc. The employee will be expected to sign off the job description and PDA on hire.

F. The Union will direct members to provide, at hiring, all applicable licenses and certificates. In addition, upon hire, all referrals who are members of and/or referred by the Labourers Internal Union of North America (LIUNA) must provide proof of standard Safety, First Aid, CPR & AED training in the same manner as outlined in the EPSCA/LIUNA OPDC MOA/Collective Agreement.

801

A. The employment of workers shall be carried out on the following basis and sequence:

(i) Such workers shall not be employed unless they are in possession of a clearance card from the Union office.

(ii) If the Union is unable to furnish appropriately qualified or certified members or non-member (permit holders) workers to the Employer within three (3) working days of the time the Union office receives the request for workers (excepting Saturdays, Sundays, and Holidays), the Employer shall be afforded the right to employ workers (permit holders) as are available. The Union will issue clearance cards to workers hired in these circumstances. Non-members referred in this situation will be considered permit holders and the Union will notify the Employer when permit holders are referred.

Permit holders by classification may be replaced by Union members after three (3) working days' notice to the Employer but in no case until such permit holders have worked a minimum of one (1) month.

802

A. When unable to proceed with work, an Employer may elect to either layoff or standoff part or all of his/her crew. The Employer shall provide the Union with the names and classifications of affected employees within a reasonable amount of time.

In all cases of layoff the Employer shall layoff its employees within the classification in the following sequence:

- (i) permit holders;
- (ii) Union members;

B. The purpose of this Section is to ensure fair and equitable treatment of employees in the event of reductions in the work force while, at the same time, allowing the Employer to direct and deploy the work force. Nothing in this Section restricts the Employer's right to transfer employees to meet work demands.

(i) The retention of employees who are members of the Union and covered by this Agreement in the Employer's service shall be governed by this Section.

(ii) For the purposes of this Section, there shall be the following classifications of employees:

Electrician Journeyperson including senior foreperson, forepersons and sub-forepersons
Electrician Apprentice
Electrical Forester – Journeyperson including senior foreperson, forepersons and sub-forepersons
Electrical Forester – Apprentice
Electrical Forester – Skidder Operator, including senior foreperson, forepersons and sub-forepersons
Electrical Forester – Labourer including senior foreperson, forepersons and sub-forepersons
Linepersons (formerly lineman) including senior foreperson, forepersons and sub-forepersons
Line Apprentice
Communication Electrician including senior foreperson, forepersons and sub-forepersons
Mechanical Trades Persons including senior foreperson, forepersons and sub-forepersons
Mechanical Trade Apprentice
Civil Trade Apprentice
Civil Trades Persons including senior foreperson, forepersons and sub-forepersons
General Helper
Meter Reader
Meter Reader 'B'
Stockkeeper
Operator 1, 2, 3
Meter Reader Data Collector
Cable Splicer
Protection and Control Technologist
Civil Uncertified – Lines
Civil Uncertified – Stations Services

Such other classifications subsequently agreed to by the parties in Section 2.

- (iii) Employees to be retained must have the necessary qualifications skills and ability to satisfactorily perform the work to be done.
- (iv) Seniority as used in this Section is based on the employee's Established Commencement Date (ECD).
- (v) In the event of a reduction of staff (excluding standoffs) and subject to (iii) and (iv) above, employees who are not members of Union shall be laid off prior to employees who are members of Union. Employees who are not members of Union shall not be subject to the conditions contained in (vi) below.
- (vi) Subject to (iii) and (iv) above, the following conditions shall apply:
 - (a) In the event of a reduction of staff (excluding standoffs), the Employer will identify which of the classifications listed in (ii) will be affected.
 - (b) In the event of a reduction of staff (excluding standoffs), employment retention by seniority shall be as follows:

0 to (9) months	No Seniority
Nine (9) months to (5) years	Seniority by Geographic Territory (Southwestern, Central, Eastern, Northeastern & Northwestern)
Over five (5) years	Seniority Province Wide

* When relocating employees as a result of the application of this Section, the Employer shall provide transportation or pay the equivalent of the cost of public transportation or mileage, whichever is deemed appropriate by the Employer, for the initial trip to the new work

location from the employee's most recent work location. The Employer shall also pay travelling time at the appropriate straight-time rate up to a maximum of eight (8) hours per day.

- (vii) In cases involving reduction of staff, an employee will not lose their service credit unless he/she has a break in service of greater than six (6) months. An employee terminated for any of the following reasons will not lose their service credit unless he/she has a break in service of greater than three (3) months:
 - (a) voluntary termination;
 - (b) layoff necessitated by refusal to accept a transfer resulting from the implementation of the Seniority Clause.

For discharge for cause the employee will immediately lose their service credit.

C. Standoff

- (i) Standoff is a mechanism to be utilized for short durations by the Employer, when work is delayed e.g., spring breakup (1/2 load season) material shortages, outages and release of scheduled work. The standoff process is not intended to circumvent the Layoff procedure.
- (ii) If the Employer elects standoff, it reserves the right to standoff its employees including stewards without pay up to a maximum of fifteen (15) consecutive working days. No daily travel or room and board allowance will be paid to an employee for a standoff period. Senior stewards shall only be placed on standoff when all others in the work group are on standoff.
- (iii) If standoff continues beyond fifteen (15) consecutive working days, an employee, at his/her option, may elect to remain on standoff up to a maximum of 45 days or be removed from standoff at anytime during that 45 days.
- (iv) An employee who elects to remain on standoff shall be issued a Record of Employment Form indicating "standoff – lack of work" dating back to his/³⁴⁷her first day on standoff.

- (v) If an employee elects layoff, it shall be carried out in accordance with the terms of Subsection 802, Item A and B. Where appropriate, an employee laid off will be issued a Record of Employment Form indicating “layoff – shortage of work” dating back to his/her first day on standoff.
- (vi) No employee shall be placed on standoff more than twice annually, in a calendar year (January 1st to December 31st), unless additional standoff(s) is agreed to by the employee.
- (vii) Notwithstanding the limitations to the duration of standoff in this Section, the Employer and the PWU Sector Vice President may agree to longer standoff duration to accommodate snow conditions that restrict the access to the work.

803

A. Transfer of Employees

- (i) The Employer reserves the right to transfer employees to meet its needs, having regard for the special requirements of the work. The Employer shall provide transportation or pay the cost of public transportation or pay mileage at \$.40 per kilometer whichever is deemed appropriate by the Employer, for the initial trip to the new work location from the employee’s most recent work location. The Employer shall also pay travelling time at the appropriate straight-time rate up to a maximum of eight (8) hours per day.
- (ii) The Employer will make every reasonable effort to transfer employees as near as possible to their regular residence as the work permits.
- (iii) Employees who are receiving subsistence allowance shall be notified of all potential transfers or layoffs no later than Thursday of the previous week.

B. Transfer Line Work

- (i) When making decisions regarding the transfer of individual employees or crews for line work, the Employer shall adhere to the transfer

process detailed in subsections C and D, subject to the following exclusions from application:

- (a) Transfers within a Superintendent's jurisdiction.
- (b) Individual employees and crews with specialized skills.
- (c) Forepersons.
- (d) Apprentice in conjunction with the mandate of the Joint Apprenticeship Council on transfers.

C. Individual Transfers

- (i) Prior to implementing any transfers of individual employees for line work, the Employer shall identify the work location requiring additional staff and the work location with staff available for transfer. The Employer shall first attempt to satisfy a requirement for additional staff by considering any outstanding requests for transfers which are on file and requesting volunteers from the work location with available staff.
- (ii) If there is an insufficient number of volunteers to meet requirements, the Employer shall request additional volunteers from the "Work Group" covering the above work location.
- (iii) Volunteers from the appropriate classification will be transferred to meet requirements.
- (iv) If after soliciting volunteers through steps (i) and (ii) there are still insufficient volunteers, then the most junior person in the appropriate classification within the "Work Group" will be transferred.

D. Crew Transfers

- (i) Crew transfers to another work group will be of a temporary nature and last no more than six (6) weeks in duration. Subject to the approval by the Union, crew transfers may be extended beyond six (6) weeks in duration.
- (ii) Prior to selecting the crew(s) to transfer for line work, the Employer will identify the location requiring the additional crew(s) and the

work location having the available crew(s) for transfer.

E. Transfer for Other Than Line Work

- (i) When making decisions regarding the transfer of employees for other than line work the Employer shall adhere to the transfer process detailed in subsection (ii), subject to the following exclusions from application:
 - (a) Transfers within a Superintendent's jurisdiction.
 - (b) Individual employees with specialized skills.
 - (c) Foreperson.
 - (d) Apprentices in conjunction with the mandate of the Joint Apprenticeship Council on transfers.

- (ii) Transfers
 - (a) Prior to implementing any transfers for other than line work, the Employer shall identify the work location requiring additional staff and the Superintendent with staff available for transfer. The Employer shall first attempt to satisfy a requirement for additional staff by considering requests for transfers from volunteers.

 - (b) If there is an insufficient number of volunteers to meet requirements, the Employer will select the most junior person in the appropriate classification under the Superintendent to be transferred.

 - (c) Exception: When the Superintendent has responsibility for an unusually large geographic area, the work group may be split into sub-groups by mutual agreement of the parties and the Employer will transfer the most junior person from the appropriate classification within the "sub group". It is agreed that the current geographic area of the Superintendent in the North falls under this exception rule.

- F. The Employer reserves the right to transfer employees between all construction sectors to meet its needs.
- 804 A. The designated certified Health & Safety Representative and certified Health & Safety alternate, Joint Health & Safety Committee members, Health & Safety Representatives, and Union Safety Representative shall be excluded from the transfer provisions. These individuals will be transferred by joint agreement of the Superintendent and the Accredited Union Representative based on the overall health, safety and efficiency needs of both parties.

SECTION 9 HOURS OF WORK

- 900 A. The normal weekly hours of work for all employees of Employers covered by this Agreement shall be forty (40).

The weekly hours shall be:

- (i) worked in five (5) days of eight (8) hours each, Monday to Friday inclusive, or
- (ii) the weekly hours of work (Monday to Friday inclusive) for all employees may be arrived at by having the employees work four (4) consecutive ten-hour shifts or by having the employees work five (5) consecutive eight-hour shifts. Weekly hours will be established for a minimum period of thirty (30) days. Fifteen (15) days written notice shall be sent to the local Union prior to a change in weekly hours. The notice period may be reduced with unanimous agreement of the affected crew.
- 901 The normal daily hours, as provided for in Subsection 900, Item A, are to be worked between 7:00 am and 6:00 pm.
- 902 A. (i) For employees working normal hours on a five (5) day work week, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, for each half shift worked.
- (ii) For employees working normal hours on a four (4) day work week, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, for each half shift worked.
- B. For employees required to work overtime, a ten (10) minute rest period will be allotted prior to the end of the normal shift before commencing overtime work.

- C. For employees working overtime, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, after each two (2) hours of overtime worked.
- D. A thirty (30) minute lunch break shall be provided at a time established by the Employer.
- 903 A. An employee who reports for work, unless directed not to report the previous day by the Employer, shall receive a minimum of two (2) hours pay plus the appropriate daily travel or board allowance at the applicable rate when he/she reports for work but is unable to commence or continue to work because of circumstances beyond his/her control. An employee will not receive this allowance if unable to complete the shift as a result of inclement weather.
- B. Notwithstanding Subsection 903, Item A above, when an Employer considers it necessary to shut down a job to avoid the possible loss of human life, because of an emergency situation that could endanger the life and safety of an employee, in such cases, employees will be compensated for the actual time worked plus applicable travel or board allowance.
- 904 A. An employee who reports for work at the beginning of a shift and is unable to commence work due to inclement weather will receive pay for one half of the scheduled shift at the applicable rate. To qualify, the employee must remain at a protected place or area as designated by the Employer for one half of the scheduled shift unless excused by an authorized representative of the Employer.
- B. An employee who reports for and commences work but is unable to continue work due to inclement weather shall receive pay for one half of the scheduled shift at the applicable rate of pay for the actual time worked for that shift, whichever is greater.
- C. An employee in receipt of inclement weather pay shall also receive travel or board allowance if applicable.
- 905 A. The holidays recognized under this Agreement are:
- | | |
|----------------|------------------|
| New Year's Day | Civic Holiday |
| Family Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Easter Monday | Christmas Day |
| Victoria Day | Boxing Day |
| Canada Day | |

- B. Recognized holidays falling on a Saturday or Sunday shall be observed on the following Monday. When Christmas Day falls on a Saturday or Sunday, it shall be observed on the following Monday and Boxing Day on the following Tuesday.

- A. When working an eight (8) hour day on a five (5) day per week work schedule, overtime shall be paid at 1-1/2 times their straight time rate for all work performed during the first two (2) hours after normal quitting time.

When working a ten (10) hour day on a four (4) day per week work schedule, overtime shall be paid at 1-1/2 times the straight time rate for all work performed during the first two (2) hours after normal quitting time.

Employees who work in excess of twenty-four (24) hours continuously will continue to be paid premium rate for all additional hours worked until such time as the employee receives an eight (8) hour break from work.

All other hours worked outside the normal daily scheduled hours and overtime worked on Saturday, Sunday, Recognized Holidays and non-shift days shall be paid at two (2) times the straight time rate.

- B. When an employee has not been notified the previous day that he/she will be required to work for more than two (2) hours beyond the normal quitting time of his/her shift, and after approximately two (2) hours has been worked, he/she shall be provided with a lunch and allowed thirty (30) minutes to consume same at the base hourly rate of pay. After each additional four (4) hours is worked, the employee shall be allowed thirty (30) minutes to eat at the base hourly rate of pay and a lunch when work is required beyond that four (4) hour period.

Where an employee has been notified the previous day, no lunch will be provided, but the employee will be allowed thirty (30) minutes to eat at the base hourly rate of pay.

When a paid meal period overlaps a rest period, the paid meal period will supplant the rest period.

The above-noted is not applicable to the first eight (8) hours worked on Saturdays, Sundays and Recognized Holidays.

- 907 A. When an employee is called in to work outside of his/her normal hours of work, he/she shall receive a minimum of two (2) hours work at two (2) times the straight time rate plus travel allowance where applicable.
- B. If the employee's normal hours of work commence within this two (2) hour period, the employee will be paid two (2) times the straight time rate for the actual hours worked and revert to his/her normal rate at the commencement of his/her normal hours of work.
- 908 A. (i) Shift work may be established on all work except tower erection and stringing operations provided that there are at least four (4) consecutive days of shifts to be worked excluding Saturdays, Sundays and Recognized Holidays.
- (ii) Where shift work is established, the normal shift hours shall be the same as the day hours.
- (iii) The normal starting time for day shift hours shall be the same as the day work hours described in Subsection 901.
- (iv) The second shift hours shall commence with the conclusion of the day shift hours.
- B. (i) Employees required to work shift work on the second shift of a two-shift operation shall receive a shift differential of time and one-seventh for normal scheduled shift hours worked. If an employee is removed from their scheduled shift prior to completing four (4) consecutive shifts, the employee will be paid shift differential for the balance of the four (4) consecutive shifts that would have been worked had the employee had not be reassigned, up to a maximum of four (4) days of shift differential.
- (ii) No employee shall be required to work more than one shift in any twenty-four (24) hour period unless the overtime rate is paid.
- (iii) The shift rate will be based on the day in which the shift begins.
- 909 A. It may be necessary from time to time to vary the hours of work established in Subsections 901 and 908. Any amendments to the hours of work will be established

by mutual agreement between Hydro One Inc. and the Union.

- 910 A. Annual unpaid entitlement vacation shall be twenty (20) working days and in special circumstances, upon agreement of the Union and the Employer additional vacation may be granted providing work scheduling will permit. All vacation will be taken with the approval of the Employer and approval shall not be unreasonably denied.

SECTION 10 WAGES AND PAY PROCEDURE

- 1000 A. Wage rates for employees in the classifications listed in Subsection 200, Item B, of this Agreement shall be as set forth in the current wage schedules. Hydro One Inc. will provide the Union with current wage schedules.
- B. Wage rates for all classifications listed in Sub-section 200, Item B of this Agreement, excluding acting general forepersons, senior forepersons, forepersons and sub-forepersons (see section 600 F & G), will be drawn up in accordance with the following Table of Relationships. This table indicates the relationship to be maintained between the basic classifications within the bargaining unit. Changes in basic classification wage rates shall be accompanied by changes in the subsidiary classification wage rates in accordance with the percentages shown in the table. Base Rate is calculated by subtracting Vacation and Statutory Holiday pay, the Pension remittance and the Welfare remittance from the Total Wage Package for non-Civil Certified Trades. The Total Wage Package for non-Civil Certified Trades shall be \$50.47.

Table of Relationships

<u>Classification</u>	<u>Percent of *Base Rate</u>
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Certified Trade 5 year Apprenticeship
(other than Civil Trades)

- Journeyperson	*100
- Apprentice	
5th period	80
4th period	70
3rd period	60
2nd period	50
1st period	40

ClassificationPercent of *Base Rate

Certified Trade 4 year Apprenticeship
(other than Civil Trades)

- Journeyperson	*100
- Apprentice	
4th period	80
3rd period	70
2nd period	60
1st period	50

Certified Civil Trade e.g. Carpenters, Painters, Insulators, Asbestos Workers, Plasterers, Cement Masons and Operators which have an Apprenticeship Program will be paid at ninety-five (95) percent of base rate for Journeyperson Lineperson. Apprenticeship rates are based on this rate.

- Welder	100
- Electrical Forester/Stockkeeper	85
- Apprentice (Apprentice rates are based on Electrical Forester rate.)	
4th period	80
3rd period	70
2nd period	60
1st period	50
- Electrical Forester (Skidder Operator)	70
- Electrical Forester (Labourer)	55
- General Helper	55
- Civil Trades (No Apprenticeship)	85
- Meter Reader	68

1001

A. Normal

- (i) Employees shall be paid weekly and payment for any given week will be made not later than the sixth working day after the close of the payroll period, but in any event, not later than Thursday of the following week.
- (ii) Wages shall be paid by the Employer at the work location, before quitting time, in cash or by cheque, payable at par in the locality of the work location.

Accompanying each payment of wages shall be a statement, in writing, which can be retained by the employee, setting forth:

- (a) the period of time or the work for which the wages are being paid;
 - (b) the rate of wages to which the employee is entitled;
 - (c) the amount of wages to which the employee is entitled;
 - (d) the amount of each deduction from the wages of the employee and the purpose for which each deduction is made;
 - (e) any allowance or other payment to which the employee is entitled;
 - (f) the amount of vacation pay for which the employee is being credited;
 - (g) the amount of recognized holiday pay for which the employee is being credited; and
 - (h) the net amount of money being paid to the employee.
- (iii) In cases where inclement weather is declared on pay day, employees will receive their pay before leaving the work location provided it is available at the work location.

B. On Termination

- (i) An employee who voluntarily terminates their employment will be provided final pay **direct deposited** on the next regular pay day for the period worked.
- (ii) At work locations where the Employer does not have an on-site pay office, an employee will have final pay **direct deposited** and **his/her Record of Employment information sent electronically to Service Canada** eight (8) working days from termination. This does not preclude an employee being paid his/her final pay at the work location prior to the expiration of the eight-day period.

- (iii) An employee who is discharged shall be provided with his/her final pay immediately if the Employer's pay facilities are at the work locations or as per Item B (ii) above, if the Employer's pay facilities are not at the work location.
- (iv) Failure of the Employer to comply with the requirements in Clause 1001 B (I), (ii) and (iii) will entitle the employee to two (2) hours at the straight time rate for each normal work day of non-compliance.

SECTION 11 UNION AND BENEFIT FUNDS

- 1100
 - A. The Employer agrees to deduct from the total wage package above and pay into an operative welfare plan for all hours earned. Such welfare payments will be set forth in the wage schedules provided by Hydro One Inc.
 - B. The Employer agrees to deduct from the total wage package and pay into an operative retirement plan an amount of money per hour to be determined by the Union for all hours earned. Such pension payments will be set forth in the wage schedules provided by Hydro One Inc.
- 1101
 - A. The vacation and recognized holiday pay rate shall be ten (10) percent of vacationable gross earnings. The vacation pay rate shall be four (4) percent and the recognized holiday pay rate shall be six (6) percent.
 - B. Payment of vacation and recognized holiday pay shall be made weekly.
- 1102
 - A. The Employer agrees to deduct Union Funds from wages and to remit the amounts deducted to the Union. The amounts to be deducted and remitted will be as set out in the wage schedules attached hereto.
 - B. A checkoff system of Union initiation fees and dues will be made operative for the lifetime of this Agreement. The Employer will supply full check-off lists of employees subject to checkoff at regular intervals and agrees to collect monthly for the Union dues payable to the Union. The Employer will transmit the monies so collected to the designated officials of the Union. The Union will indemnify the Employer for any liability arising from the deduction of initiation fees and dues as requested by the Union.

- C. The Employer shall put into effect any changes to Union funds or dues upon notification by the Union.
- D. The Employer will arrange for each worker falling under the jurisdiction of the Union to sign a Union dues checkoff authorization as a condition of employment at the time he/she is employed.

SECTION 12 TRAVEL AND ROOM AND BOARD ALLOWANCE

1200 Daily Travel Allowance

A. The daily travel allowance will be paid by the Employer to its employees who are not living in camp or receiving a subsistence allowance as referred to in Subsection 1201, on the following basis:

- (i) If an employee lives within 40 radius kilometers of the work location or declared assembly point * no travel allowance will be paid.
- (ii) If an employee lives within 40-56 radius kilometers of the work location or declared assembly point they shall receive **\$24.60 (effective April 1, 2014, \$25.22)** per day travel allowance for each day worked or reported for.
- (iii) If an employee lives within 56 to 80 radius kilometers of the work location or declared assembly point they shall receive **\$29.41 (effective April 1, 2014, \$30.15)** per day travel allowance for each day worked or reported for.
- (iv) If an employee lives within 80-97 radius kilometers of the work location or declared assembly point they shall receive **\$34.21 (effective April 1, 2014, \$35.07)** per day travel allowance for each day worked or reported for.
- (v) If an employee lives greater than 97 radius kilometers from the work location or declared assembly point, and does not qualify for subsistence allowance under Subsection 1201 below, they shall receive **\$38.70 (effective April 1, 2014, \$39.67)** per day travel allowance for each day worked or reported for provided the employee continues to travel greater than 97 radius kilometers daily.

* For the purpose of this Section, “declared assembly point” is a material yard, field office

or other location that may from time to time be designated by the Employer as a location for assembling prior to leaving for the work location.

- (vi) When an employee is directed to report to a location that involves travelling around a natural barrier, the distance around the natural barrier shall be the shortest distance measured by a series of straight lines. The sum of the distance of these straight lines shall be applied to the ring concept to establish the employee's travel allowance entitlement, board allowance entitlement and initial and return allowance entitlement.
- (vii) A natural barrier is defined as any obstruction or impediment which creates an unreasonable relationship between radius kilometres and actual kilometres travelled.

A joint team, made up of one Union representative and one Management representative will review situations where employees feel the relationship between radius kilometres and actual kilometres travelled is unreasonable and decide the issue without prejudice or precedent.

- B. The Employer reserves the right to base daily travel allowance on the distance in radius kilometres from where an employee lives to either the work location or declared assembly point, depending on where the employee is directed to report.

1201

Room and Board Allowance (Subsistence)

- A. The following conditions will apply for employees whose regular residence* is more than 97 radius kilometres from the work location or declared assembly point:
 - (i) An Employer may supply either:
 - (a) free room and board in camp or a good standard of board and lodging; or
 - (b) a subsistence allowance; or

* For the purpose of this Section "regular residence":

1. The place where the employee maintains a self-contained, domestic establishment (a dwelling house, apartment or similar place of residence where a person generally eats and sleeps and for which he/she can show proof of financial commitment). This is in contrast to a boarding house facility which is not self-contained; and
 2. The employee normally resides in the residence except for those periods of time when, because of the location of the work, the employee obtains temporary accommodation for that work location.
 3. For metropolitan areas (Toronto and Hamilton) the calculation of distance shall be the employee's regular residence.
 4. For all other areas, the calculation of distance shall be based on the location of the city or town hall of the municipality where an employee maintains a self-contained domestic establishment described above. In those municipalities where a city or town hall does not exist, then the post office serving his/her self-contained domestic establishment will apply.
- (ii) An employee may exercise his/her option not to stay in a camp or accept free room and board. An employee who exercises this option shall receive a subsistence allowance as follows:

- (a) When an employee's regular residence is more than 97 radius kilometres from the work location, or declared assembly point which is north of the French River and the employee maintains temporary accommodations at or near the work location or declared assembly point the employee shall be paid a subsistence allowance of **\$100.23 (effective April 1, 2014, \$102.74)** per day for each day worked or reported for.

South of the French River an employee will be paid **\$93.54 (effective April 1, 2014, \$95.88)** per day for each day worked or reported for.

- (b) When an employee's residence is more than 450 kilometres from the work location and the employee is working a four (4) day by ten (10) hour per day shift, the employee will be paid one (1) additional day's subsistence allowance.
- B. An employee shall not qualify for daily travel allowance or room and board allowance as provided for in Subsection 1200 and Subsection 1201, Item A above, when such employee reports for work but does not remain at work for his/her scheduled daily hours unless excused by an authorized representative of his/her Employer. Such permission shall not be unreasonably denied.
- C. Upon application, payment of Room and Board/Travel Allowance will be issued for the first two pay periods. Failure to provide satisfactory proof of eligibility during this period, will result in cessation of payments and the recovery in two equal amounts. In the event of termination for any reason before full recovery, any balance owing will be deducted from the final pay.

1202

Travel Time

- A. The Employer will supply transportation between the assembly points and work locations.
- B. All travel time will be outside of normal working hours.
- C. On normal working days an employee will be paid his/her straight-time rate for all time spent travelling from his/her assembly point to his/her work location.
- D. On Saturdays, Sundays and Recognized Holidays identified in Subsection 905 A, B and C, an employee will be paid his/her premium rate for all time spent travelling from his/her assembly point to his/her work location.
- E. An employee will travel up to a maximum of one (1) hour on his/her own time when returning from the work location to the assembly point.
 - (i) On normal working days an employee will be paid straight-time rate for all time spent travelling in excess of one (1) hour.

- (ii) On Saturdays, Sundays and Recognized Holidays identified in Subsection 905 A, B and C an employee will be paid premium rate for all time spent travelling in excess of one (1) hour.

1203

Initial and Return Travel and Transportation

- A. On recruitment of workers who live beyond 161 radius kilometres from the work location, the Employer shall pay \$.40 per radius kilometre, plus travel time based on one hour's pay for each 80 kilometres, or part thereof, of travel to a maximum of 8 hours pay for the initial trip to the work location from where the worker lives. On recruitment of workers who live outside Ontario, the distance calculation for this allowance shall be from where the worker lives or the Union Referral Hall, whichever is closer.
- B. To qualify for payment in Item A, the employee must be engaged in work for a minimum of fifteen (15) working days or the duration of the job, whichever is less.
- C. On termination of employment due to a reduction of staff, an employee qualified for payment as a result of Item B above, shall be entitled to return travel expenses calculated in the same manner as in Items A above for the return trip from the current work location to where the worker lives. An employee whose employment terminates for any reason other than reduction of staff shall not be eligible for return payment.
- D. At the end of each three (3) months of continuous employment at a work site where the employee resides in a camp or a camp situation, he/she shall receive eight (8) hours pay at his/her appropriate straight time rate to assist in defraying costs of returning home.

1204

Use of Personal Vehicle

- A. An employee who is requested or receives approval from an authorized representative of his/her Employer to use his/her personal vehicle for the convenience of his/her Employer shall be reimbursed at \$.40 per kilometre travelled for such use of his/her vehicle.

SECTION 13 TOOLS AND CLOTHING

1300

- A. Employees shall be required to provide themselves with the ordinary hand tools of the trade as specified in the attached tool listing*. The Employer will provide

insofar as is practical, separate facilities for storing the tools, but shall not be held responsible for losses, except as noted hereunder.

- (i) When personal tools valued in excess of \$15.00 are lost due to fire, the Employer will consider replacement or payment value to a maximum of \$500.00 based on the merit of tools that a tradesperson is required to have to perform their normal duties with the Employer.
 - (ii) The Employer agrees to compensate employees for tools lost by theft, as supported by claims submitted in writing with substantiating evidence to establish theft resulting from forcible entry to locked storage provided by the Employer to a maximum of \$500.00.
 - (iii) In the event of a loss by fire at a work location, replacement or payment of the full estimated value in excess of \$15.00 but not exceeding \$500.00 for the loss of personal clothing will be made.
 - (iv) In the event of a loss by fire at an Employer operated camp, replacement or payment of the full estimated value in excess of \$15.00 but not exceeding \$750.00 for the loss of personal clothing will be made.
- B. Employees who have obtained tools from the Employer's tool crib shall be allowed sufficient time, in the opinion of Management, to return such tools to the tool crib during working hours. Employees receiving tools from such tool crib shall be held responsible for the return of such tools in good condition, subject to normal wear and tear. On layoff or standoff, employees will be allowed reasonable time to return tools.
- C. Gang tools which are issued to a foreperson are used by one or more members of the crew. Such tools are not identified on trade tools lists, nor are then the tools and equipment identified in A. and B. of this section. Such tools shall be the responsibility of the Employer.
- D. Employees eligible for payment under A. above shall be reimbursed within ten (10) working days after the date of submitting a claim.

- 1301
- A. Employees are required to wear protective clothing and use protective equipment appropriate for the work being done. The Employer shall supply employees working in close proximity to obvious fire hazards (i.e., open flames) with flame resistant coveralls. Refer to Mid-Term Agreement MT-61 for terms and conditions for the provision of Flame and Arc Resistant Clothing.
 - B. The Employer will supply protective clothing including gloves, high visibility clothing, rainwear and coveralls where appropriate at no cost to the employee. Protective clothing that is provided by the Employer will be charged out to an employee and the employee shall be responsible for the return of such protective clothing and equipment upon completion of the work involved.
 - C. Employees shall supply themselves with, and wear at all times on the job, an approved safety helmet and safety footwear.

When an Employer wishes an employee to wear a specifically identified safety helmet, the Employer shall provide it on loan, complete with a new liner.

SECTION 14 GRIEVANCES AND ARBITRATIONS

- 1400
- (a) Hydro One Inc. shall appoint employees beyond the jurisdiction of the Union to act as contact supervisor. Each contact supervisor shall be responsible for giving or securing a decision on any grievance submitted to him/her by a Union representative on behalf of any employee or group of employees under his/her supervisor. Grievances will be referred to the contact supervisor within 30 days of the discovery of the event giving rise to the grievance. If a satisfactory decision is not made by the contact supervisor within 48 hours, the Union representative may, within 30 days, refer the grievance to arbitration.

Employees shall be entitled to Union representation at any disciplinary meeting.

- (b) The referral to arbitration shall be made to one of the following single arbitrators on a rotating basis:
 - (i) Jules Bloch
 - (ii) Rob Herman
 - (iii) Louisa Davie

- (c) The arbitrator shall set a hearing date to take place within ten (10) working days of the date of the referral and shall render a decision on the case within 30 days of the completion of the hearing of the matter. The parties agree that they will facilitate to the greatest extent possible the expeditious completion of the hearing process.
- (d) The decision of the arbitrator shall be final and binding on the parties. The arbitrator shall not have jurisdiction to alter or overrule this agreement or to make any decision inconsistent with this agreement.
- (e) The arbitrator shall have all the power and authority of an arbitrator under Section 48 of the Labour Relations Act, 1995.
- (f) Maintenance of normal earnings shall be provided by Hydro One Inc. for all Union representatives, attending at the grievance process, including the arbitration hearing. Arbitrator costs will be shared.

SECTION 15 COMMITTEES

1500 Joint Committee

- A. To advance harmonious relations between Hydro One Inc. and the Union, Hydro One Inc. and the Union shall appoint a Joint Committee comprised of two (2) PWU and two (2) Management as appointed by the parties.

The Committee shall meet at least annually to review the work program and matters associated with the administration of this Appendix with the intent of achieving uniformity of application of this Appendix wherever employees are working. The Committee may also consider matters related to safety.

1501 Joint Apprenticeship Committees (subject to the attached letter "Principles Related to Apprenticeship Program", related Committee Agreements, and Certificate of Qualification requirements.)

- A. A Joint Apprenticeship Council (JAC) shall be established and shall meet on a regular basis. This Council shall consist of an equal number of members of the Union and representatives of the Employer. Where applicable, a representative of the Apprenticeship Branch of the Ontario Government may also be

appointed as an advisor to the regular Council members.

- B. The JAC shall be responsible for the establishment and maintenance of the apprenticeship training programs, as well as adopting operating rules and conditions with respect thereto which are complementary to and in keeping with the intent of the Apprenticeship and Trades Qualification Act RSO 1970 as amended.
- C. Apprentices shall be hired by the Employer, as and when required, from a pool of qualified apprentices established by the JAC in accordance with the procedures established under the JAC Terms of Reference.
- D. All apprentices shall be governed by the Ontario Apprenticeship and Trades Qualification Act and Regulations but the ratio of apprentices to Journeypersons may be set from time to time by the Joint Committee.
- E. In order to expedite the Apprentice's entrance into Journeyperson status, the following policy shall apply:
 - (i) The Apprentice must apply to the Apprenticeship Branch to write his/her examination as soon as possible after he/she has reached his/her total hours, less 300.
 - (ii) The Apprentice will give the JAC two weeks notice that he/she is going to write his/her examination.
 - (iii) After writing the examination, the Apprentice will check his/her hours in his/her Progress Record Book, with the JAC.
 - (iv) The Employer will commence paying the Journeyperson's rate of pay the day after the Apprentice completes his/her hours and providing the following conditions have been met:
 - (a) The Employer is satisfied that the Apprentice has completed his/her hours. If there is a question concerning the completion of hours, confirmation will be supplied by the JAC and/or the Union;

- (b) The Employer is shown written proof of Certification from the Apprenticeship Branch, or has verbal confirmation from the JAC and/or the Union; and,
 - (c) The Apprentice has passed his/ her examination for his/her Certification of Qualification (C of Q).
- F. In the event that an Apprentice fails his/her examination for his/her C of Q, he/she will be paid the journeyman rate of pay from the day he/she passes any future examinations.
- G. Where the JAC is unable to reach an agreement on any matter concerning apprenticeship, the issue shall be referred to the Joint Committee for their decision.

SECTION 16 LUNCHROOM AND WASHROOM FACILITIES

1600 Lunchroom Facilities

- A. The Employer will provide clean and adequately heated facilities for employees where such facilities may reasonably be provided. Lunchroom facilities are to include adequate space with tables and benches and are to be separated from storage areas. Washroom facilities are to include flush toilets and hot and cold running water where reasonable and practicable.

SECTION 17 PREGNANCY/PARENTAL/ADOPTION LEAVES

- 1700 A. Provisions of the Employment Standards Act will apply to a pregnant employee. In addition, an employee's seniority will accumulate while on leave provided this does not affect the normal date of layoff.

SECTION 18 SELECTION TO VACANCIES

PWU represented members who have performed work for Hydro One Inc. pursuant to this Appendix will be entitled to apply to regular positions within Hydro One Inc. for which they are qualified and will be selected on the basis of seniority.

Seniority for the purposes of applying to regular positions will be calculated on the basis of accumulated service with the Hydro One Inc. gained through this Appendix.

Employees in receipt of a Hydro One Inc. pension are not eligible for selection to Vacancies.

Dated at Toronto this _____ day of _____ 1998.

FOR: Hydro One Inc.

FOR: POWER WORKERS' UNION

Principles Related to Apprenticeship Program

The parties agree to establish an apprenticeship program recognizing that the apprenticeship program should be structured to best support the Hydro One Inc. requirements, the Apprentice and the requirements of the Trades Qualification Act.

The parties agree that the following principles should be accepted when developing the apprenticeship program:

- PWU Apprentices will be acquired through the provisions of the Appendix to the Hydro One Agreement.
- The Apprenticeship Program will be managed by the Joint Councils outlined in the Appendix to the Hydro One Agreement.
- Apprentices will be assigned to regular work crews and to casual work crews for the purposes of their training program.
- When Apprentices are doing work on an assigned basis with regular work crews, these crews will not be considered as composite crews. In this circumstance the non-monetary provisions of the Main Agreement apply as well as the meal provisions contained in Part B, Item 18.2 and Mid-Term Agreement MT-61.
- The administration of the Apprentice Program will be funded by the Employer and operated from the Union Office.

The parties further agree that a committee would be established comprised of two (2) representatives from Hydro One Inc. and two (2) representatives from the Union to meet and develop the procedures to be followed on the Apprenticeship Program.

Appendix A – TOOL LIST

All journeypersons electricians are required to have the following tools:

- 1 Centre punch
- 1 1/2" Cold Chisel
- 1 Half-round File
- 1 Ball Peen Hammer
- 1 Adjustable Hacksaw Frame
- 1 Knife
- 1 Medium Level
- 5 Prs of Pliers – 8" Sidecutters, Diagonal, Longnose and 2 pairs of Channellock
- 6 Screwdrivers, Robertson and Standard Types
- 1 6" Square or Combination Square
- 1 6' Folding Wood Rule
- 1 Small Tap Wrench
- 1 Tool Box
- 1 Tool Pouch and belt for hand tools

Lineperson Tool List

- 1 Tool Box and lock
- 1 Ball Peen Hammer
- 1 Jackknife or Stripping Knife
- 1 9" Pliers
- 1 6' Folding Wood Rule
- 1 Screwdriver, flat blade, 8"
- 1 8" Adjustable Crescent Wrench
- 1 10" or 12" Adjustable Crescent Wrench

Electrical Forester

- 1 Saw, hand, pruning
- 1 Set of appropriate hand saw sharpening equipment
- 1 Jack Knife
- 1 Hand Pruners

All Journeyperson Mechanical Tradespersons are required to have the following tools:

- 1 punches, centre set
- 1 punch, pin, set
- 4 punch, taper set
- 4 rule, steel, 6"
- 3 screwdrivers, flat blade, 4" 8" and 12".
- 1 screwdriver, flat blade, stubby
- 1 screwdriver, flat blade, offset
- 1 screwdriver, robertson, set of detachable head
- 1 screwdriver, phillips, set of detachable head
- 1 scribe, steel
- 1 square, combination, with level, protractor and centre head 12"
- 1 tape rule, steel, 6' or longer.
- 1 wrench, tap – to handle up to 1/4" taps
- 3 wrenches, adjustable, crescent type, 4" 8" and 12"
- 1 wrench, vise grip

March 26, 1998

D.F. MacKinnon
Sector Vice President
Power Workers' Union
244 Eglinton Avenue East
Toronto, Ontario
M4P 1K2

Dear Mr. MacKinnon:

1988 Negotiations – Transmission Agreement

This will confirm the discussion at negotiations regarding the natural barrier concept.

It is agreed that an obstruction or impediment will include those areas where roads have not been constructed and which causes an unreasonable relationship between radius Kilometres and actual kilometres travelled.

Yours truly,

March 26, 1998

D.F. MacKinnon
Sector Vice President
Power Workers' Union
244 Eglinton Avenue East
Toronto, Ontario
M4P 1K2

Dear Mr. MacKinnon:

1988 Negotiations – Transmission Agreement

This will confirm the discussion at negotiations regarding parking allowance in Toronto.

Employees working in the downtown core of Toronto will be paid \$3.00 per day worked as a parking allowance when an Employer does not provide parking space.

The downtown core is defined as the area bounded by the east side of Dufferin Street in the west, the west side of Sherbourne Street and Mount Pleasant Road in the east, the south side of Eglinton Avenue in the north and by Lake Ontario in the south.

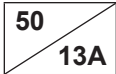
Yours truly,

Add to the Hydro One Inc. Collective Agreement

Assignment of Work & Dispute Resolution Process – Appendix A Construction & Supply Maintenance

1. No regular Hydro One Inc. employee will be laid off as a direct result of work being performed pursuant to Appendix A of the Collective Agreement.
2. Hydro One Inc. shall share all related information for making an assignment as far in advance of the work as possible.
3. Hydro One Inc. representatives and the PWU Sector Vice-President will agree upon the proposed assignment prior to the assignment being made by the Employer.
4. Failing to agree on the assignment of work will result in an expedited resolution process.
5. Should the parties fail to agree on the assignment of work to employees hired pursuant to Appendix A, the issue will be referred to Mr. Martin Teplitsky, or his deputy who will act as the sole arbitrator for resolution of the dispute.
6. The arbitrator will hear the dispute within three (3) days of the dispute being referred to Arbitration. The Arbitration may be conducted by conference call.
7. Briefs shall be prepared by each party which will include a statement of facts, a brief argument and any other information and/or documents relevant to the issue. Briefs will be exchanged between the parties and provided to the arbitrator at least 24 hours before the arbitration hearing begins. Witnesses may be called with leave of the arbitrator.
8. The decision of the arbitrator shall be final and binding on the parties.

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
WAGE SCHEDULES
CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
SALARY SCHEDULE 50**



Page 1 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
01-9	LINES SENIOR FOREPERSON - 411164					
02-9	MECHANICAL SENIOR FOREPERSON - 435362					
03-9	ELECTRICAL SENIOR FOREPERSON - 411061					
	04-01-13	50.54	5.05	3.00	3.00	61.59
01-8	LINES FOREPERSON - 411165					
02-8	MECHANICAL FOREPERSON - 435363					
03-8	ELECTRICAL FOREPERSON - 411062					
	04-01-13	49.22	4.92	3.00	3.00	60.14
01-7	LINES SUBFOREPERSON - 411153					
02-7	MECHANICAL SUBFOREPERSON - 435352					
03-7	ELECTRICAL SUBFOREPERSON - 411051					
	04-01-13	46.59	4.66	3.00	3.00	57.25
01-6	LINES JOURNEYPerson - 411134					
02-6	MECHANICAL JOURNEYPerson - 435332					
03-6	ELECTRICAL JOURNEYPerson - 411031					
05-6	CABLE SPLICER JOURNEYPerson - 001377					
	04-01-13	43.95	4.40	3.00	3.00	54.35
	ELECTRICAL APPRENTICE (5 YEAR PROGRAM) - 411113					
	MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM) - 435312					
	CABLE SPLICER APPRENTICE (5 YEAR PROGRAM) - 001727					
01-0	1ST PERIOD					
	04-01-13	17.58	1.76	3.00	3.00	25.34
01-1	2ND PERIOD					
	04-01-13	21.98	2.20	3.00	3.00	30.18
01-2	3RD PERIOD					
	04-01-13	26.37	2.64	3.00	3.00	35.01
01-3	4TH PERIOD					
	04-01-13	30.77	3.08	3.00	3.00	39.85
01-4	5TH PERIOD					
	04-01-13	35.16	3.52	3.00	3.00	44.68
	LINES APPRENTICE (4 YEAR PROGRAM) - 410312					
02-0	1ST PERIOD					
	04-01-13	21.98	2.20	3.00	3.00	30.18
02-1	2ND PERIOD					
	04-01-13	26.37	2.64	3.00	3.00	35.01
02-2	3RD PERIOD					
	04-01-13	30.77	3.08	3.00	3.00	39.85
02-3	4TH PERIOD					
	04-01-13	35.16	3.52	3.00	3.00	44.68

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

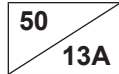
Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Non-Scheduled Work Days - 2 times for all hours worked.

Sat: 2 times for all hours worked.

Sun&Hot: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM) - 435313						
02-10	1ST PERIOD 04-01-13	26.37	2.64	3.00	3.00	35.01
02-11	2ND PERIOD 04-01-13	30.77	3.08	3.00	3.00	39.85
02-12	3RD PERIOD 04-01-13	35.16	3.52	3.00	3.00	44.68
02-13	4TH PERIOD 04-01-13	39.56	3.96	3.00	3.00	49.52
CIVIL SENIOR FOREPERSON - 435764						
11-9	04-01-13	48.01	4.80	3.00	3.00	58.81
CIVIL FOREPERSON - 435763						
11-8	04-01-13	46.76	4.68	3.00	3.00	57.44
CIVIL SUBFOREPERSON - 435763						
11-7	04-01-13	44.26	4.43	3.00	3.00	54.69
CIVIL JOURNEYPerson - 435733						
11-6	04-01-13	41.75	4.18	3.00	3.00	51.93
CIVIL APPRENTICE (5 YEAR PROGRAM) - 435713						
11-0	1ST PERIOD 04-01-13	16.70	1.67	3.00	3.00	24.37
11-1	2ND PERIOD 04-01-13	20.88	2.09	3.00	3.00	28.97
11-2	3RD PERIOD 04-01-13	25.05	2.51	3.00	3.00	33.56
11-3	4TH PERIOD 04-01-13	29.23	2.92	3.00	3.00	38.15
11-4	5TH PERIOD 04-01-13	33.40	3.34	3.00	3.00	42.74
CIVIL APPRENTICE (4 YEAR PROGRAM) - 435714						
12-0	1ST PERIOD 04-01-13	20.88	2.09	3.00	3.00	28.97
12-1	2ND PERIOD 04-01-13	25.05	2.51	3.00	3.00	33.56
12-2	3RD PERIOD 04-01-13	29.23	2.92	3.00	3.00	38.15
12-3	4TH PERIOD 04-01-13	33.40	3.34	3.00	3.00	42.74

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

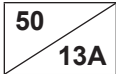
Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Non-Scheduled Work Days - 2 times for all hours worked.

Sat: 2 times for all hours worked.

Sun & Hol: 2 times for all hours worked.

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
WAGE SCHEDULES
ELECTRICAL FORESTER – UNCERTIFIED CIVIL TRADES
SALARY SCHEDULE 50**



Page 3 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PACKAGE
21-9	ELECTRICAL FORESTER SENIOR FOREPERSON - 415363 04-01-13	42.96	4.30	3.00	3.00	53.26
21-8	ELECTRICAL FORESTER FOREPERSON - 415364 04-01-13	41.84	4.18	3.00	3.00	52.02
21-7	ELECTRICAL FORESTER SUBFOREPERSON - 415351 04-01-13	39.60	3.96	3.00	3.00	49.56
21-6	ELECTRICAL FORESTER JOURNEYPerson - 415331 21-5 STOCKKEEPER - 427502					
21-10	UNCERTIFIED CIVIL TRADESPerson - LINES - 002702					
21-11	UNCERTIFIED CIVIL TRADESPerson - STATION SERVICES - 002703 04-01-13	37.36	3.74	3.00	3.00	47.10
	ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM) - 415311					
21-0	1ST PERIOD 04-01-13	18.68	1.87	3.00	3.00	26.55
21-1	2ND PERIOD 04-01-13	22.42	2.24	3.00	3.00	30.66
21-2	3RD PERIOD 04-01-13	26.15	2.62	3.00	3.00	34.77
21-3	4TH PERIOD 04-01-13	29.89	2.99	3.00	3.00	38.88
22-9	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON - 415323 04-01-13	35.39	3.54	3.00	3.00	44.93
22-8	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON - 415324 04-01-13	34.46	3.45	3.00	3.00	43.91
22-7	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON - 415325 04-01-13	32.62	3.26	3.00	3.00	41.88
22-6	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPerson - 415313 04-01-13	30.77	3.06	3.00	3.00	39.85
23-9	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON - 415319 04-01-13	27.80	2.78	3.00	3.00	36.58
23-8	ELECTRICAL FORESTER (LABOURER) FOREPERSON - 415318 ⁽¹⁾ 04-01-13	27.07	2.71	3.00	3.00	35.78
23-7	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON - 415317 ⁽¹⁾ 04-01-13	25.52	2.56	3.00	3.00	34.18
23-6	ELECTRICAL FORESTER (LABOURER) JOURNEYPerson - 415316 ⁽¹⁾ 04-01-13	24.17	2.42	3.00	3.00	32.59
24-1	METER READER - 461105 04-01-13	29.89	2.99	3.00	3.00	38.88
25-0	GENERAL HELPER - 461106 04-01-13	24.17	2.42	3.00	3.00	32.59
26-0	METER READER 'B' - 461107 04-01-13	25.16	2.52	3.00	3.00	33.68
22-0	METER READER/DATA COLLECTOR - 000677 ⁽²⁾ 04-01-13	34.17	3.41	3.00	3.00	43.59
27-1	Operator 1 - 461108 04-01-13	40.89	4.09	3.00	3.00	50.98
27-2	Operator 2 - 461109 04-01-13	46.93	4.69	3.00	3.00	57.62
27-3	Operator 3 - 461102 04-01-13	48.53	4.85	3.00	3.00	59.36
30-1	P&C Technologist - 00001402 04-01-13	47.25	4.73	3.00	3.00	57.98

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Non-Scheduled Work Days - 2 times for all hours worked.

Labour Relations

Sat: 2 times for all hours worked.

Effective: April 1, 2013

Sun & Hol: 2 times for all hours worked.

⁽¹⁾ Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.

⁽²⁾ When required to perform the work of "cable locates" the Meter Reader/Data Collector classification will receive an additional \$1.01 per hour on top of their normal wage rate for the entire day.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
 SALARY SCHEDULE 50



Page 1 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
01-9	LINES SENIOR FOREPERSON - 411164					
02-9	MECHANICAL SENIOR FOREPERSON - 435362					
03-9	ELECTRICAL SENIOR FOREPERSON - 411061 10-01-13	51.11	5.11	3.00	3.00	62.22
01-8	LINES FOREPERSON - 411165					
02-8	MECHANICAL FOREPERSON - 435363					
03-8	ELECTRICAL FOREPERSON - 411062 10-01-13	49.77	4.98	3.00	3.00	60.75
01-7	LINES SUBFOREPERSON - 411153					
02-7	MECHANICAL SUBFOREPERSON - 435352					
03-7	ELECTRICAL SUBFOREPERSON - 411051 10-01-13	47.11	4.71	3.00	3.00	57.82
01-6	LINES JOURNEYPerson - 411134					
02-6	MECHANICAL JOURNEYPerson - 435332					
03-6	ELECTRICAL JOURNEYPerson - 411031					
05-6	CABLE SPLICER JOURNEYPerson - 001377 10-01-13	44.44	4.45	3.00	3.00	54.89
	ELECTRICAL APPRENTICE (5 YEAR PROGRAM) - 411113					
	MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM) - 435312					
	CABLE SPLICER APPRENTICE (5 YEAR PROGRAM) - 001727					
01-0	1ST PERIOD 10-01-13	17.78	1.78	3.00	3.00	25.56
01-1	2ND PERIOD 10-01-13	22.22	2.22	3.00	3.00	30.44
01-2	3RD PERIOD 10-01-13	26.66	2.67	3.00	3.00	35.33
01-3	4TH PERIOD 10-01-13	31.11	3.11	3.00	3.00	40.22
01-4	5TH PERIOD 10-01-13	35.55	3.56	3.00	3.00	45.11
	LINES APPRENTICE (4 YEAR PROGRAM) - 410312					
02-0	1ST PERIOD 10-01-13	22.22	2.22	3.00	3.00	30.44
02-1	2ND PERIOD 10-01-13	26.66	2.67	3.00	3.00	35.33
02-2	3RD PERIOD 10-01-13	31.11	3.11	3.00	3.00	40.22
02-3	4TH PERIOD 10-01-13	35.55	3.56	3.00	3.00	45.11

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

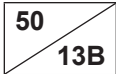
Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Non-Scheduled Work Days - 2 times for all hours worked.

Sat: 2 times for all hours worked.

Sun&Hol: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



Page 2 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM) - 435313						
02-10	1ST PERIOD 10-01-13	26.66	2.67	3.00	3.00	35.33
02-11	2ND PERIOD 10-01-13	31.11	3.11	3.00	3.00	40.22
02-12	3RD PERIOD 10-01-13	35.55	3.56	3.00	3.00	45.11
02-13	4TH PERIOD 10-01-13	40.00	4.00	3.00	3.00	50.00
11-9	CIVIL SENIOR FOREPERSON - 435764 10-01-13	48.55	4.86	3.00	3.00	59.41
11-8	CIVIL FOREPERSON - 435763 10-01-13	47.29	4.73	3.00	3.00	58.02
11-7	CIVIL SUBFOREPERSON - 435753 10-01-13	44.75	4.48	3.00	3.00	55.23
11-6	CIVIL JOURNEYPerson - 435733 10-01-13	42.22	4.22	3.00	3.00	52.44
CIVIL APPRENTICE (5 YEAR PROGRAM) - 435713						
11-0	1ST PERIOD 10-01-13	16.89	1.69	3.00	3.00	24.58
11-1	2ND PERIOD 10-01-13	21.11	2.11	3.00	3.00	29.22
11-2	3RD PERIOD 10-01-13	25.33	2.53	3.00	3.00	33.86
11-3	4TH PERIOD 10-01-13	29.55	2.96	3.00	3.00	38.51
11-4	5TH PERIOD 10-01-13	33.78	3.38	3.00	3.00	43.16
CIVIL APPRENTICE (4 YEAR PROGRAM) - 435714						
12-0	1ST PERIOD 10-01-13	21.11	2.11	3.00	3.00	29.22
12-1	2ND PERIOD 10-01-13	25.33	2.53	3.00	3.00	33.86
12-2	3RD PERIOD 10-01-13	29.55	2.96	3.00	3.00	38.51
12-3	4TH PERIOD 10-01-13	33.78	3.38	3.00	3.00	43.16

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Non-Scheduled Work Days - 2 times for all hours worked.

Sat: 2 times for all hours worked.

Sun & Hol: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 ELECTRICAL FORESTER – UNCERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



Page 3 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PACKAGE
21-9	ELECTRICAL FORESTER SENIOR FOREPERSON - 415363 10-01-13	43.44	4.34	3.00	3.00	53.78
21-8	ELECTRICAL FORESTER FOREPERSON - 415364 10-01-13	42.30	4.23	3.00	3.00	52.53
21-7	ELECTRICAL FORESTER SUBFOREPERSON - 415351 10-01-13	40.04	4.00	3.00	3.00	50.04
21-6	ELECTRICAL FORESTER JOURNEYPerson - 415331					
21-5	STOCKKEEPER - 427502					
21-10	UNCERTIFIED CIVIL TRADESPerson - LINES - 002702					
21-11	UNCERTIFIED CIVIL TRADESPerson - STATIONS SERVICES - 002703 10-01-13	37.77	3.78	3.00	3.00	47.55
	ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM) - 415311					
21-0	1ST PERIOD 10-01-13	18.89	1.89	3.00	3.00	26.78
21-1	2ND PERIOD 10-01-13	22.66	2.27	3.00	3.00	30.93
21-2	3RD PERIOD 10-01-13	26.44	2.64	3.00	3.00	35.08
21-3	4TH PERIOD 10-01-13	30.22	3.02	3.00	3.00	39.24
22-9	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON - 415323 10-01-13	35.78	3.58	3.00	3.00	45.36
22-8	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON - 415324 10-01-13	34.84	3.48	3.00	3.00	44.32
22-7	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON - 415325 10-01-13	32.98	3.30	3.00	3.00	42.28
22-6	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPerson - 415313 10-01-13	31.11	3.11	3.00	3.00	40.22
23-9	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON - 415319 10-01-13	28.11	2.81	3.00	3.00	36.92
23-8	ELECTRICAL FORESTER (LABOURER) FOREPERSON - 415318 ⁽¹⁾ 10-01-13	27.37	2.74	3.00	3.00	36.11
23-7	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON - 415317 ⁽¹⁾ 10-01-13	25.91	2.59	3.00	3.00	34.50
23-6	ELECTRICAL FORESTER (LABOURER) JOURNEYPerson - 415316 ⁽¹⁾ 10-01-13	24.44	2.44	3.00	3.00	32.88
24-1	METER READER - 461105 10-01-13	30.22	3.02	3.00	3.00	39.24
25-0	GENERAL HELPER - 461106 10-01-13	24.44	2.44	3.00	3.00	32.88
26-0	METER READER 'B' - 461107 10-01-13	25.47	2.55	3.00	3.00	34.02
22-0	METER READER/DATA COLLECTOR - 000677 ⁽¹⁾ 10-01-13	34.57	3.46	3.00	3.00	44.03
27-1	Operator 1 - 461108 10-01-13	41.35	4.14	3.00	3.00	51.49
27-2	Operator 2 - 461109 10-01-13	47.45	4.75	3.00	3.00	58.20
27-3	Operator 3 - 461102 10-01-13	49.06	4.91	3.00	3.00	59.97
30-1	P&C Technologist - 00001402 10-01-13	47.78	4.78	3.00	3.00	58.56

Note: The normal weekly hours of work for all employees of Employers is forty (40).

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Non-Scheduled Work Days - 2 times for all hours worked.

Labour Relations

Sat: 2 times for all hours worked.

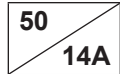
Effective: October 1, 2013

Sun & Hol: 2 times for all hours worked.

⁽¹⁾ Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.

⁽²⁾ When required to perform the work of "cable locates" the Meter Reader/Data Collector classification will receive an additional \$1.01 per hour on top of their normal wage rate for the entire day.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
 SALARY SCHEDULE 50



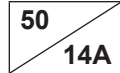
GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PKGGE
01-9	LINES SENIOR FOREPERSON - 411164					
02-9	MECHANICAL SENIOR FOREPERSON - 435362					
03-9	ELECTRICAL SENIOR FOREPERSON - 411061					
	04-01-14	51.97	5.20	3.00	3.00	63.17
01-8	LINES FOREPERSON - 411165					
02-8	MECHANICAL FOREPERSON - 435363					
03-8	ELECTRICAL FOREPERSON - 411062					
	04-01-14	50.61	5.06	3.00	3.00	61.67
01-7	LINES SUBFOREPERSON - 411153					
02-7	MECHANICAL SUBFOREPERSON - 435352					
03-7	ELECTRICAL SUBFOREPERSON - 411051					
	04-01-14	47.90	4.79	3.00	3.00	58.69
01-6	LINES JOURNEYPerson - 411134					
02-6	MECHANICAL JOURNEYPerson - 435332					
03-6	ELECTRICAL JOURNEYPerson - 411031					
05-6	CABLE SPLICER JOURNEYPerson - 001377					
	04-01-14	45.19	4.52	3.00	3.00	55.71
	ELECTRICAL APPRENTICE (5 YEAR PROGRAM) - 411113					
	MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM) - 435312					
	CABLE SPLICER APPRENTICE (5 YEAR PROGRAM) - 001727					
01-0	1ST PERIOD					
	04-01-14	18.08	1.81	3.00	3.00	25.89
01-1	2ND PERIOD					
	04-01-14	22.60	2.26	3.00	3.00	30.86
01-2	3RD PERIOD					
	04-01-14	27.11	2.71	3.00	3.00	35.82
01-3	4TH PERIOD					
	04-01-14	31.63	3.16	3.00	3.00	40.79
01-4	5TH PERIOD					
	04-01-14	36.15	3.62	3.00	3.00	45.77
	LINES APPRENTICE (4 YEAR PROGRAM) - 410312					
02-0	1ST PERIOD					
	04-01-14	22.60	2.26	3.00	3.00	30.86
02-1	2ND PERIOD					
	04-01-14	27.11	2.71	3.00	3.00	35.82
02-2	3RD PERIOD					
	04-01-14	31.63	3.16	3.00	3.00	40.79
02-3	4TH PERIOD					
	04-01-14	36.15	3.62	3.00	3.00	45.77

Note: The normal weekly hours of work for all employees of Employers is forty (40).

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 Sun&Hol: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



Page 2 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM) - 435313						
02-10	1ST PERIOD 04-01-14	27.11	2.71	3.00	3.00	35.82
02-11	2ND PERIOD 04-01-14	31.63	3.16	3.00	3.00	40.79
02-12	3RD PERIOD 04-01-14	36.15	3.62	3.00	3.00	45.77
02-13	4TH PERIOD 04-01-14	40.67	4.07	3.00	3.00	50.74
11-9	CIVIL SENIOR FOREPERSON - 435764 04-01-14	49.37	4.94	3.00	3.00	60.31
11-8	CIVIL FOREPERSON - 435763 04-01-14	48.08	4.81	3.00	3.00	58.89
11-7	CIVIL SUBFOREPERSON - 435753 04-01-14	45.51	4.55	3.00	3.00	56.06
11-6	CIVIL JOURNEYPERSON - 435733 04-01-14	42.93	4.29	3.00	3.00	53.22
CIVIL APPRENTICE (5 YEAR PROGRAM) - 435713						
11-0	1ST PERIOD 04-01-14	17.17	1.72	3.00	3.00	24.89
11-1	2ND PERIOD 04-01-14	21.47	2.15	3.00	3.00	29.62
11-2	3RD PERIOD 04-01-14	25.76	2.58	3.00	3.00	34.34
11-3	4TH PERIOD 04-01-14	30.05	3.01	3.00	3.00	39.06
11-4	5TH PERIOD 04-01-14	34.34	3.43	3.00	3.00	43.77
CIVIL APPRENTICE (4 YEAR PROGRAM) - 435714						
12-0	1ST PERIOD 04-01-14	21.47	2.15	3.00	3.00	29.62
12-1	2ND PERIOD 04-01-14	25.76	2.58	3.00	3.00	34.34
12-2	3RD PERIOD 04-01-14	30.05	3.01	3.00	3.00	39.06
12-3	4TH PERIOD 04-01-14	34.34	3.43	3.00	3.00	43.77

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

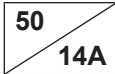
Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Non-Scheduled Work Days - 2 times for all hours worked.

Sat: 2 times for all hours worked.

Sun & Hol: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 ELECTRICAL FORESTER – UNCERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



Page 3 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PACKAGE
21-9	ELECTRICAL FORESTER SENIOR FOREPERSON - 415363 04-01-14	44.17	4.42	3.00	3.00	54.59
21-8	ELECTRICAL FORESTER FOREPERSON - 415364 04-01-14	43.02	4.30	3.00	3.00	53.32
21-7	ELECTRICAL FORESTER SUBFOREPERSON - 415351 04-01-14	40.71	4.07	3.00	3.00	50.78
21-6	ELECTRICAL FORESTER JOURNEYPERSON - 415331					
21-5	STOCKKEEPER - 427502					
21-10	UNCERTIFIED CIVIL TRADESPERSON - LINES - 002702					
21-11	UNCERTIFIED CIVIL TRADESPERSON - STATIONS SERVICES - 002703 04-01-14	38.41	3.84	3.00	3.00	48.25
	ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM) - 415311					
21-0	1ST PERIOD 04-01-14	19.21	1.92	3.00	3.00	27.13
21-1	2ND PERIOD 04-01-14	23.05	2.31	3.00	3.00	31.36
21-2	3RD PERIOD 04-01-14	26.89	2.69	3.00	3.00	35.58
21-3	4TH PERIOD 04-01-14	30.73	3.07	3.00	3.00	39.80
22-9	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON - 415323 04-01-14	36.37	3.64	3.00	3.00	46.01
22-8	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON - 415324 04-01-14	35.43	3.54	3.00	3.00	44.97
22-7	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON - 415325 04-01-14	33.53	3.35	3.00	3.00	42.88
22-6	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPERSON - 415313 04-01-14	31.63	3.16	3.00	3.00	40.79
23-9	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON - 415319 04-01-14	28.58	2.86	3.00	3.00	37.44
23-8	ELECTRICAL FORESTER (LABOURER) FOREPERSON - 415318 ⁽¹⁾ 04-01-14	27.83	2.78	3.00	3.00	36.61
23-7	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON - 415317 ⁽¹⁾ 04-01-14	26.34	2.63	3.00	3.00	34.97
23-6	ELECTRICAL FORESTER (LABOURER) JOURNEYPERSON - 415316 ⁽¹⁾ 04-01-14	24.85	2.49	3.00	3.00	33.34
24-1	METER READER - 461105 04-01-14	30.73	3.07	3.00	3.00	39.80
25-0	GENERAL HELPER - 461106 04-01-14	24.85	2.49	3.00	3.00	33.34
26-0	METER READER 'B' - 461107 04-01-14	25.94	2.59	3.00	3.00	34.53
22-0	METER READER/DATA COLLECTOR - 000677 ⁽¹⁾ 04-01-14	35.17	3.52	3.00	3.00	44.69
27-1	Operator 1 - 461108 04-01-14	42.05	4.21	3.00	3.00	52.26
27-2	Operator 2 - 461109 04-01-14	48.25	4.83	3.00	3.00	59.07
27-3	Operator 3 - 461102 04-01-14	49.88	4.99	3.00	3.00	60.87
30-1	P&C Technologist - 00001402 04-01-14	48.58	4.86	3.00	3.00	59.44

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.

Sat: Non-Scheduled Work Days - 2 times for all hours worked.

Sun & Hol: 2 times for all hours worked.

Labour Relations
 Effective: April 1, 2014

⁽¹⁾ Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.

⁽²⁾ When required to perform the work of "cable locates" the Meter Reader/Data Collector classification will receive an additional \$1.01 per hour on top of their normal wage rate for the entire day.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
 SALARY SCHEDULE 50



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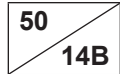
GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
01-9	LINES SENIOR FOREPERSON - 411164					
02-9	MECHANICAL SENIOR FOREPERSON - 435362					
03-9	ELECTRICAL SENIOR FOREPERSON - 411061 10-01-14	52.56	5.26	3.00	3.00	63.82
01-8	LINES FOREPERSON - 411165					
02-8	MECHANICAL FOREPERSON - 435363					
03-8	ELECTRICAL FOREPERSON - 411062 10-01-14	51.18	5.12	3.00	3.00	62.30
01-7	LINES SUBFOREPERSON - 411153					
02-7	MECHANICAL SUBFOREPERSON - 435352					
03-7	ELECTRICAL SUBFOREPERSON - 411051 10-01-14	48.44	4.84	3.00	3.00	59.28
01-6	LINES JOURNEYPerson - 411134					
02-6	MECHANICAL JOURNEYPerson - 435332					
03-6	ELECTRICAL JOURNEYPerson - 411031					
05-6	CABLE SPLICER JOURNEYPerson - 001377 10-01-14	45.70	4.57	3.00	3.00	56.27
	ELECTRICAL APPRENTICE (5 YEAR PROGRAM) - 411113					
	MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM) - 435312					
	CABLE SPLICER APPRENTICE (5 YEAR PROGRAM) - 001727					
01-0	1ST PERIOD 10-01-14	18.28	1.83	3.00	3.00	26.11
01-1	2ND PERIOD 10-01-14	22.85	2.29	3.00	3.00	31.14
01-2	3RD PERIOD 10-01-14	27.42	2.74	3.00	3.00	36.16
01-3	4TH PERIOD 10-01-14	31.99	3.20	3.00	3.00	41.19
01-4	5TH PERIOD 10-01-14	36.56	3.66	3.00	3.00	46.22
	LINES APPRENTICE (4 YEAR PROGRAM) - 410312					
02-0	1ST PERIOD 10-01-14	22.85	2.29	3.00	3.00	31.14
02-1	2ND PERIOD 10-01-14	27.42	2.74	3.00	3.00	36.16
02-2	3RD PERIOD 10-01-14	31.99	3.20	3.00	3.00	41.19
02-3	4TH PERIOD 10-01-14	36.56	3.66	3.00	3.00	46.22

Note: The normal weekly hours of work for all employees of Employers is forty (40).

OVERTIME RATE:

Mon-Fri: Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.
 Non-Scheduled Work Days - 2 times for all hours worked.
 Sat: 2 times for all hours worked.
 Sun&Hol: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 CERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



Page 2 of 3

GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM) - 435313						
02-10	1ST PERIOD 10-01-14	27.42	2.74	3.00	3.00	36.16
02-11	2ND PERIOD 10-01-14	31.99	3.20	3.00	3.00	41.19
02-12	3RD PERIOD 10-01-14	36.56	3.66	3.00	3.00	46.22
02-13	4TH PERIOD 10-01-14	41.13	4.11	3.00	3.00	51.24
11-9	CIVIL SENIOR FOREPERSON - 435764 10-01-14	49.93	4.99	3.00	3.00	60.92
11-8	CIVIL FOREPERSON - 435763 10-01-14	48.63	4.86	3.00	3.00	59.49
11-7	CIVIL SUBFOREPERSON - 435753 10-01-14	46.03	4.60	3.00	3.00	56.63
11-6	CIVIL JOURNEYPerson - 435733 10-01-14	43.42	4.34	3.00	3.00	53.76
CIVIL APPRENTICE (5 YEAR PROGRAM) - 435713						
11-0	1ST PERIOD 10-01-14	17.37	1.74	3.00	3.00	25.11
11-1	2ND PERIOD 10-01-14	21.71	2.17	3.00	3.00	29.88
11-2	3RD PERIOD 10-01-14	26.05	2.61	3.00	3.00	34.66
11-3	4TH PERIOD 10-01-14	30.39	3.04	3.00	3.00	39.43
11-4	5TH PERIOD 10-01-14	34.74	3.47	3.00	3.00	44.21
CIVIL APPRENTICE (4 YEAR PROGRAM) - 435714						
12-0	1ST PERIOD 10-01-14	21.71	2.17	3.00	3.00	29.88
12-1	2ND PERIOD 10-01-14	26.05	2.61	3.00	3.00	34.66
12-2	3RD PERIOD 10-01-14	30.39	3.04	3.00	3.00	39.43
12-3	4TH PERIOD 10-01-14	34.74	3.47	3.00	3.00	44.21

Note: The normal weekly hours of work for all employees of Employers is forty (40).

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Sun & Hol: 2 times for all hours worked.

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX
 WAGE SCHEDULES
 ELECTRICAL FORESTER – UNCERTIFIED CIVIL TRADES
 SALARY SCHEDULE 50



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GRADE AND STEP	CLASSIFICATIONS, OCCUPATION CODES & EFFECTIVE DATES	BASE HOURLY RATE	VACATION & STAT. HOLIDAY	PENSION	WELFARE	TOTAL WAGE PACKAGE
21-9	ELECTRICAL FORESTER SENIOR FOREPERSON - 415363 10-01-14	44.68	4.47	3.00	3.00	55.15
21-8	ELECTRICAL FORESTER FOREPERSON - 415364 10-01-14	43.51	4.35	3.00	3.00	53.86
21-7	ELECTRICAL FORESTER SUBFOREPERSON - 415351 10-01-14	41.18	4.12	3.00	3.00	51.30
21-6	ELECTRICAL FORESTER JOURNEYPERSON - 415331					
21-5	STOCKKEEPER - 427502					
21-10	UNCERTIFIED CIVIL TRADESPERSON - LINES - 002702					
21-11	UNCERTIFIED CIVIL TRADESPERSON - STATIONS SERVICES - 002703 10-01-14	38.85	3.89	3.00	3.00	48.74
	ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM) - 415311					
21-0	1ST PERIOD 10-01-14	19.43	1.94	3.00	3.00	27.37
21-1	2ND PERIOD 10-01-14	23.31	2.33	3.00	3.00	31.64
21-2	3RD PERIOD 10-01-14	27.20	2.72	3.00	3.00	35.92
21-3	4TH PERIOD 10-01-14	31.08	3.11	3.00	3.00	40.19
22-9	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON - 415323 10-01-14	36.79	3.68	3.00	3.00	46.47
22-8	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON - 415324 10-01-14	35.83	3.58	3.00	3.00	45.41
22-7	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON - 415325 10-01-14	33.91	3.39	3.00	3.00	43.30
22-6	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPERSON - 415313 10-01-14	31.99	3.20	3.00	3.00	41.19
23-9	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON - 415319 10-01-14	28.91	2.89	3.00	3.00	37.80
23-8	ELECTRICAL FORESTER (LABOURER) FOREPERSON - 415318 ⁽¹⁾ 10-01-14	28.16	2.82	3.00	3.00	36.98
23-7	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON - 415317 ⁽¹⁾ 10-01-14	26.65	2.67	3.00	3.00	35.32
23-6	ELECTRICAL FORESTER (LABOURER) JOURNEYPERSON - 415316 ⁽¹⁾ 10-01-14	25.14	2.51	3.00	3.00	33.65
24-1	METER READER - 461105 10-01-14	31.08	3.11	3.00	3.00	40.19
25-0	GENERAL HELPER - 461106 10-01-14	25.14	2.51	3.00	3.00	33.65
26-0	METER READER 'B' - 461107 10-01-14	26.25	2.63	3.00	3.00	34.88
22-0	METER READER/DATA COLLECTOR - 000677 ⁽⁴⁾ 10-01-14	35.58	3.56	3.00	3.00	45.14
27-1	Operator 1 - 461108 10-01-14	42.53	4.25	3.00	3.00	52.78
27-2	Operator 2 - 461109 10-01-14	48.78	4.88	3.00	3.00	59.66
27-3	Operator 3 - 461102 10-01-14	50.44	5.04	3.00	3.00	61.48
30-1	P&C Technologist - 00001402 10-01-14	49.12	4.91	3.00	3.00	60.03

Note: The normal weekly hours of work for all employees of Employers is forty (40).

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Sun & Hol: 2 times for all hours worked.

Labour Relations
 Effective: October 1, 2014

⁽¹⁾ Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.

⁽²⁾ When required to perform the work of "cable locates" the Meter Reader/Data Collector classification will receive an additional \$1.01 per hour on top of their normal wage rate for the entire day.

NOTES

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COLLECTIVE AGREEMENT

BETWEEN

HYDRO ONE INC.
("Hydro One" or "The Employer")


AND

THE SOCIETY OF ENERGY PROFESSIONALS
("The Society" or "The Union")




April 1, 2016 - March 31, 2019

IN WITNESS THEREOF the parties hereto have caused the Agreement to be executed by their proper officers duly authorized in that behalf at Toronto, Ontario.



Hydro One Inc.



The Society of Energy Professionals

Nov. 9/16

Date

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PART I – MANAGEMENT RIGHTS

1 MANAGERIAL RIGHTS OF THE COMPANY

Hydro One Inc. has and shall retain the exclusive right and power to manage its business and direct its working forces, including, but without restricting the generality of the foregoing, the right to hire, suspend, discharge, promote, demote and discipline any employee. Hydro One shall exercise the said functions in accordance with the provisions of the Collective Agreement.

PART II - RECOGNITION

2 RECOGNITION CLAUSE

2.1 Provincial Jurisdiction

Hydro One Inc. recognizes the Society as the exclusive bargaining agent for a bargaining unit comprised of:

All employees employed in Hydro One Inc., hereinafter known as Hydro One, in the Province of Ontario employed as supervisors, professional engineers, engineers-in-training, scientists, and professional, administrative and associated employees, save and except for persons who perform managerial functions as distinct from supervisory functions; persons employed in a confidential capacity with respect to labour relations; and persons in bargaining units for which any trade union held bargaining rights as of November 13, 1991.

2.2 Federal Jurisdiction

The Society was certified in May 1995 under the Canada Labour Code for a bargaining unit comprised of the following:

All employees of Ontario Hydro employed by Ontario Hydro Nuclear (OHN) in the Province of Ontario employed as supervisors, professional engineers, engineers-in-training, scientists, and professional, administrative and associated employees, save and except for persons who perform managerial functions as distinct from supervisory functions; persons employed in a confidential capacity with respect to labour relations; and persons in bargaining units for which any trade union held bargaining rights as of November 13, 1991.

On April 1, 1998, jurisdiction for labour relations for the above Ontario Hydro noted federal bargaining unit was delegated to the Province of Ontario.

2.3 Clarity Notes

2.3.1 For the purposes of clarity, the bargaining units set out above:

Include:

- a) all regular, probationary, graduate students, reduced-hours and temporary employees whose functions are included in the classifications paid from Salary Schedules 01, 02 and 03.

Exclude:

- a) those persons who perform managerial functions as distinct from supervisory functions. An employee is performing managerial functions if:
 - i) she/he performs managerial functions such as hiring, promotion, performance management and step progression, discharge, etc., over other employees in the bargaining unit; and

she/he is required to spend the majority of his/her time performing managerial duties; and

she/he supervises at least seven (7) employees (directly and indirectly) on a regular and continuous basis; or

- ii) she/he supervises persons who are excluded from the Society's bargaining unit by reason of performing managerial functions or being employed in a confidential capacity with respect to labour relations.

2.3.2 Definitions

- a) "Supervisors" means employees who primarily perform supervisory functions, including the requirement to make recommendations regarding any staff or personnel matter. These staff or personnel matters include, but are not limited to, such areas as selection, promotion, appraisal, discipline, transfer, staffing needs, work methods, changes in terms and conditions of employment, grievances, or the interpretation and administration of the applicable Collective Agreement. "Supervisors" includes employees in other employee classifications who perform supervisory functions.
- b) "Professional engineer" means either: a) an employee who is a member of the engineering profession entitled to practice in Ontario and employed in a professional capacity; or b) an employee with equivalent credentials who is in a position that requires engineering expertise and specialized knowledge. This definition includes all employee categories included under the heading of "Professional Engineer" listed in Attachment A to Appendix I "Utilization and Advancement of Professional Engineers and Scientists" in this Agreement. "Professional engineers" includes employees who satisfy these criteria and who are required to perform supervisory functions.
- c) "Engineers-in-training" means an employee who has completed a course of specialized instruction in engineering sciences and graduated from a university or similar institution, who has not satisfied all the requirements for practicing as a professional engineer and who is on a structured training program to partially satisfy these requirements.
- d) "Scientists" means employees who are university graduates in the Natural Sciences, the Applied Sciences, Mathematics or Computer Sciences, who are not classified as professional engineers, and who are engaged in the application of this specialized knowledge in the course of their employment. This definition includes all incumbents in positions identified under the heading of "Scientists" listed in Attachment A to Appendix I entitled "Utilization and Advancement of Professional Engineers and Scientists" in this Agreement. "Scientists" includes employees who satisfy these criteria and who are required to perform supervisory functions.
- e) "Professional employee" means an employee who:
 - i) in the course of his/her employment is engaged in the application of specialized knowledge ordinarily acquired by a course of instruction and study resulting in graduation from a university or similar institution; and

- ii) is eligible to be a member of a professional organization that is authorized by statute to establish the qualifications for membership in the organization; or
- iii) performs the functions, but lacks the qualifications of a professional employee.

“Professional employees” include employees who satisfy these criteria and who are required to perform supervisory functions.

- f) “Administrative employee” means an employee who normally supervises persons engaged in office administration, construction, security or maintenance work who are represented by another trade union. This definition includes employees who share a community of interest with “supervisors”.
- g) “Associated employees” means employees in positions which normally require a university degree or equivalent education or experience. This definition encompasses employees who share a community of interest with “professional engineers”, “scientists” or “professionals” and includes, but is not limited to, Nurses. “Associated employees” includes employees who satisfy these criteria and who are required to perform supervisory functions.

2.4 Supervisory Employees - Code of Ethics

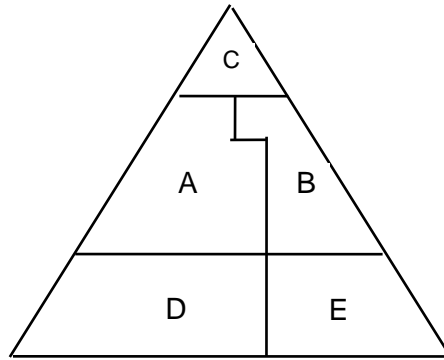
Hydro One agrees to include supervisory employees in the bargaining unit on the condition that the parties recognize that supervisory employees will continue to exercise key functions in the control and operation of Hydro One. As members of Hydro One’s managerial staff, supervisors use judgment to express and make operative the decisions of Management. They are responsible for fostering a healthy work environment. The parties recognize the responsibility of supervisors to discharge their supervisory duties in good faith. The Society and Hydro One will identify, minimize and/or avoid the conflicts/perceived conflicts of interest that may arise concerning the relationship between supervisors, the Society and Hydro One.

It is recognized that supervisory employees may be disciplined for failure to act in good faith as a representative of Management and fulfilling their responsibilities including abuse of supervisory position and breach of trust.

2.5 Exclusions Process

Hydro One and the Society agree to the following process for the purpose of excluding new and changed positions from the Society’s jurisdiction.

- 1. a The following new or changed job documents or their electronic equivalents in Scenarios A to D will be sent to the Society for their review:



- A - Society Jobs
- B – Band 7 & 8 MCP Jobs
- C – Band 6 and above MCP Jobs
- D - Borderline Society/PWU Jobs
- E – Band 8 and below MCP Jobs

Scenario	New Jobs	Revised Jobs
A	Documents will be sent to the Society after finalization.	<ul style="list-style-type: none"> i) If job leaves Society jurisdiction, documents will be sent to the Society before finalization. ii) If Society jurisdiction does not change, documents will be sent to the Society after finalization.
B	Documents for new Band 7 & 8 MCP jobs will be sent to the Society before finalization.	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.
C	Documents for new Band 6 and above ¹ MCP jobs will be sent to the Society before finalization.	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.
D	<p>Documents for the following new jobs not established as PWU jobs in the past will be sent to the Society before finalization:</p> <ul style="list-style-type: none"> i) supervisory jobs, and ii) non-supervisory jobs which report to a Society-represented position and are paid at the final step rate at or above MP1 reference point. 	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.

1. b Clarity Note regarding the Application of Exclusions Process to New or Changed MCP Jobs that are excluded under the new exclusion criterion (see Appendix III):

¹ In this section “above Band...” refers to MCP salary bands that are higher in the organizational hierarchy (e.g. Band 5 is above Band 6) and “below Band...” refers to MCP salary bands that are lower in the organizational hierarchy (e.g. Band 6 is below Band 5).

- i. Vice-President jobs and/or jobs rated Band 4 or above do not need to go through the exclusion process. Hydro One will notify the Society about any applicable new jobs.
- ii. The exclusions process does not apply to jobs that have an MCP report.
- iii. Subject to (ii) above, the exclusions process will apply to jobs rated Band 5 and below (including but not limited to Bands 6 and 7).
- iv. In the event that Hydro One changes the system used to classify MCP jobs, or significantly alters the MCP band structure, the parties will attempt to reach agreement on how to apply the principles set out above to the new/modified classification system. Failing agreement, either party may refer this dispute to a mutually agreeable arbitrator.

1. c Frozen Landscape

The parties agree that the frozen jurisdictional landscape as agreed to in the May 31, 2007 Memorandum of Agreement will form the basis of the ongoing jurisdictional landscape between the parties. For clarity, Hydro One will not alter or amend any existing Society represented jobs such that as a result they fall outside the Society's jurisdiction. Hydro One can introduce newly created MCP jobs, which will be processed in accordance with the exclusion process. Also, Hydro One can replace individuals who leave existing MCP jobs or add additional positions to existing MCP jobs.

The employer will provide the Society with a complete list of the jobs included in the "frozen landscape", including job title and occupation code. The employer will provide the Society with a written summary of any changes in "frozen landscape" jobs, including job title revisions, every year. These timelines may be amended by mutual agreement.

- 2. If a new or changed job is excluded from the Society's jurisdiction and the Society has concerns with the exclusion, the parties will meet within 15 days of the exclusion request to attempt to resolve any outstanding issues.
- 3. If the parties are unable to resolve the issues, the Society can request that the dispute be submitted to expedited arbitration. A hearing will be held within 30 days of the referral, and a decision will be rendered within 15 days of the hearing. Management cannot implement the exclusion until the Arbitrator's decision. The Society must inform Hydro One of their intent to request arbitration within 10 days of the meeting taking place. If the Society does not request arbitration, Hydro One is free to implement the excluded position.
- 4. Management will notify the Society office of any jurisdictional grievance filed by another trade union against a Society-represented position and will advise the Society of any change in status (e.g., referred to next step, resolved, withdrawn).
- 5. Attachment 1 is the exclusion form which will be used in accordance with this process. The Society's agreement to exclude any position under this process is without prejudice to its position in any proceedings and will not limit the Society's right to challenge the exclusion at a later point in time.

ATTACHMENT 1 Hydro One Request for Society Exclusion

-Note: Before an occupation code can be issued, completion of the shaded areas by Line Management and/or Human Resources is mandatory.

date	job title	schedule/grade
business unit	division	department

This is a: new document
 revised and previously excluded document - existing occupation code:
 revised and previously included document - existing occupation code:
 Managerial Exclusion Confidential Exclusion Within Another Trade Union

<p>SOCIETY UNIT DIRECTOR</p> <p><input type="checkbox"/> Agreed <input type="checkbox"/> Disagreed</p> <p>If disagreed, why?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Society Unit Director (signature)</p> <p>_____</p> <p>Date: _____</p>	<p>SOCIETY STAFF OFFICER</p> <p><input type="checkbox"/> Agreed <input type="checkbox"/> Disagreed</p> <p>If disagreed, why?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Society Staff Officer (signature)</p> <p>_____</p> <p>Date: _____</p>
--	--

(The Society's agreement to exclude any position from its jurisdiction is without prejudice to challenge this exclusion at a later point.)

<p>Line Management (signature)</p> <p>_____</p> <p>Date: _____</p>	<p>Human Resources Department (signature)</p> <p>_____</p> <p>Date: _____</p>
--	---

Note: See Article 2 of the Society-Hydro One Collective Agreement for the complete Recognition Clause and Letter of Understanding, dated Oct. 4, 1994. For clarification or information regarding exclusion, please contact your Human Resources Officer or Labour Relations - Corporate HR or the Society Office or a Society Unit Director.

2.6 Successor Rights

- 2.6.1 Hydro One agrees that it will not directly or indirectly request government to exempt the Company or the Society from the successor rights provisions of the applicable labour relations legislation.
- 2.6.2 The successor rights provisions of the applicable labour relations statute shall be incorporated by reference into this collective agreement. No board of arbitration established pursuant to the grievance and arbitration provisions of this contract has jurisdiction to make any decision within the jurisdiction of the Labour Relations Board and nothing herein is intended to affect the jurisdiction of the Labour Board to resolve disputes related to the application of the provisions of the statute. For purposes of s.48 of the *Ontario Labour Relations Act* and s. 57 of the *Canada Labour Code*, the Ontario Labour Relations Board or the Canada Labour Relations Board shall be deemed to be a Board of Arbitration for the resolution of disputes related to the interpretation, application, administration or alleged violation of this provision of the collective agreement. The remedial powers of the Labour Board shall be as set out in the relevant statutory provisions governing successor rights.

3 EMPLOYEE CLASSIFICATIONS

3.1 Probationary Employees

A probationary employee is an employee who is hired on a trial basis with the prospect of being reclassified as a regular employee, if the employee's performance satisfactorily meets the job requirements. The probation period is normally a minimum of six (6) months and a maximum of twelve (12) months upon mutual agreement of the employer and the Society representative². After six (6) months, or after twelve months where an extension has been agreed to, the employee will either be made regular, transferred to another probationary position or terminated unless there is an expectation that a longer probationary period will result in improvement in a specific area which has been identified to the employee (e.g. completion of a training course or a specific work assignment, interrupted probationary period as a result of parental leave, etc.) The employee's benefits and working conditions are the same as regular employees with exceptions identified in the provisions where different treatment has been agreed to.

3.2 Regular Employees

A regular employee is an employee who has either served the required probationary term or has previously been employed in one of the other categories and has satisfactorily met the job requirements. The employee occupies a position that is considered part of the on-going organization of Hydro One.

3.2.1 Reduced Hours of Work Regular Employees

A reduced hours of work regular employee is an employee who has regular status but works less than the base hours for a full-time position. The employee's benefits and working conditions are pro-rated and based on the entitlements of

² For the meaning and application of the term "Society representatives" throughout this agreement, see Appendix IX ("Designation of Society Representative Contact Persons/Decision-Makers in the Society-Hydro One Collective Agreement")

the regular employees. The pro-rating is described in Article 71 (Reduced Hours of Work).

3.3 Temporary Employees

3.3.1 A temporary employee is an employee who is hired for short-term work assignment which is not ongoing (i.e. normally not extending beyond 24 months). The employee's benefits and working conditions are as per Article 33 (Temporary Employees).

3.3.2 Reduced Hours of Work Temporary Employees

A reduced hours of work temporary employee is an employee who has temporary status but works less than the base hours for a full-time position. The employee's benefits and working conditions are pro-rated as per Article 33 (Temporary Employees).

3.3.3 Student Employees

A student employee is an employee who is hired for short-term work which is not ongoing. He/she is normally in the process of completing his/her post-graduate studies and is expected to return to his/her studies after an agreed employment period. The employee's benefits and working conditions are as per Article 33 (Temporary Employees).

4 SERVICE CREDIT DEFINITIONS

Service credits shall be based on all previous full-time (regular, temporary and casual) service and part-time/reduced hours (regular and temporary) unless otherwise specified. (See Section 9.3 Transition Provisions)

4.1 Established Commencement Date (ECD)

The "ECD" represents the latest date of hire, subject to authorized adjustments for previous service as detailed below.

a) Regular

The ECD for regular employees is calculated by giving service credits for:

- probationary employment;
- 100% of employment service in an acquired company;
- previous regular and temporary (full-time and reduced hours employment), if there has been no break in service exceeding twelve (12) months;
- previous casual construction employment if there was no break in employment exceeding three (3) months (or 12 months for casual construction employees on the Pension and Insurance Plan).

(The ECD has an impact on sick leave and severance pay.)

b) Temporary

The ECD for temporary employees is calculated by giving service credits for:

- previous temporary employment, if there has been no break in service exceeding 3 months and employee has less than 12 months service;
- previous temporary employment, if there has been no break in service exceeding 12 months and employee has greater than 12 months service.

(The ECD has an impact on statutory holidays and floating holidays.)

4.2 Vacation Credit Date (VCD)

The VCD represents all service regardless of breaks. While a regular employee, service credits shall be based on the current ECD and adjusted for all previous periods of Hydro One employment. All employees who currently work reduced hours or have done so in the past, will have such service calculated as if were full time.

(VCD is used to determine vacation bonus.)

4.3 External Experience Value (EEV)

The EEV represents a vacation credit quantity expressed in number of years, months and days for external work experience granted to qualifying regular employees (Section 40.7). The EEV and VCD determine total years credit for vacation entitlement (days) and service-based payment in lieu of notice (Subsection 64.13.1).

4.4 Service Recognition Date (SRD)

The SRD for regular employees represents all service while a Hydro One employee on payroll regardless of breaks in employment. Service credits shall be based on the last hire date and adjusted for all previous periods of Hydro One employment. All employees who currently work reduced hours or have done so in the past, will have such service calculated as if it were full time (it should never be pro-rated).

Authorized Adjustments:

a) Personal Leaves of Absence

SRD includes the time an employee is on "leave", if the employee is on a:

- personal leave of absence with pay; or
- personal leave of absence without pay which is less than 15 working days; or
- personal leave of absence without pay which is more than 15 working days and which was started on or after April 15, 1993 -- only that portion which was taken during the period from April 15, 1993 to August 31, 1997.
- prepaid leave of absence, under the enhanced leaves of absence policy dated April 16, 1993, greater than eight (8) weeks.

b) Pregnancy/Parental Leaves

SRD includes the time an employee is on a pregnancy/parental leave (previously referred to as normal or extended maternity/adoption leave).

c) Job Sharing

SRD is calculated as if the employee is working full-time hours.

d) Work Sharing

SRD is calculated as if the employee is working full-time hours.

(SRD has an impact on recognition of employee service at years 25 and 40, Quarter Century Club Membership and seniority (Article 64).)

4.5 “Eligibility Service” or “Continuous Employment” for Pension Purposes

Generally, it is the number of years (including a portion of a year) a pension plan member has been continuously employed in which there has been no break in employment exceeding 12 months. It includes previous Ontario Hydro/Hydro One pensionable service which has been reinstated; external service which has been transferred into the pension plan under a reciprocal pension transfer agreement; and periods of pregnancy/parental leave. It may include certain types of non-Hydro One regular service purchased under special provisions. It generally excludes leaves of absence without pay except where the employee elects to pay the pension contribution. The exceptions are detailed in the pension rules.

Eligibility Service (ES) is used as an eligibility criterion for early retirement and the associated early retirement discounts; and in conjunction with Membership Service (i.e., the service subsequent to the date actually joining/started contributing to the Plan) and Age, to determine death and termination benefit entitlements.

5 TEMPORARY ASSIGNMENTS

There may be instances when employees are temporarily removed from their normal duties to perform work outside of the Society's bargaining unit. Likewise, employees from outside of the bargaining unit may be assigned temporarily to work within the Society's bargaining unit.

In such instances, the parties agree that:

5.1 Employees Temporarily Excluded from Society Jurisdiction

5.1.1 The Society shall be given prior notice of any temporary assignment exceeding three months' duration that Hydro One considers outside the bargaining unit, along with a rationale for the proposed exclusion.

5.1.2 The Society shall continue to represent employees who have been temporarily removed from their regular positions to perform work outside the bargaining unit for the first three months of the temporary assignment. Dues shall be deducted and remitted to the Society for the three month period.

5.1.3 Except where otherwise specified in this Agreement, Society-represented employees who are temporarily assigned to positions outside the bargaining unit shall have access to all benefits, plans or entitlements under Part X (Health Benefits), Part VII (Pension and Insurance), Part XI (Relocation Assistance), and Articles 64 (Redeployment, Surplus Staff and Change of Employer) and 65 (Vacancies) of the Collective Agreement for the full duration of the assignment.

5.2 Employees Temporarily Included in Society Jurisdiction

5.2.1 Hydro One personnel from outside the Society's bargaining unit who are temporarily assigned work within Society jurisdiction shall be represented by the Society for that portion of the assignment extending beyond three months, and dues shall be deducted for the period beyond three months.

5.2.2 During the period of Society representation, temporarily included employees shall be subject to the provisions of the Collective Agreement, but the following shall not apply:

- Article 31 (Salary Progression Plan)
- Part IX (Absence from Work)
- Part X (Health Benefits)
- Part VII (Pension and Insurance)
- Part XI (Relocation Assistance), except for Article 56 (Compensation when Assigned to Temporary Work Headquarters)
- Part XIII (Working Conditions) except for vacancy rights pursuant to Clause 65.6.3.i
- Other provisions or agreements to the extent they concern the above

5.3 Grievance

The Society's Complaint and Grievance/Arbitration procedure shall apply to any dispute relating to an applicable provision of the Society's Collective Agreement, including any dispute as to whether the Collective Agreement is applicable in the circumstances. The employee and/or the employee's bargaining agent retain any rights in respect of terms and conditions of employment to which the Society's Collective Agreement does not apply.

6 EMPLOYEES ON TEMPORARY OUT-OF-PROVINCE ASSIGNMENT

6.1 Terms and Conditions of Employment During Assignment

6.1.1 When a Society-represented employee accepts a temporary assignment outside Ontario, the employee:

- a) retains his/her status as an employee of Hydro One;
- b) continues to accrue service credit for all purposes under Article 4 of the Collective Agreement;
- c) is required to pay Society dues during the term of any assignment beginning on or after January 1, 1995.

6.1.2 The employee remains represented by the Society until he or she begins this assignment. When an employee accepts a personal services contract, that contract together with this Article shall constitute the employee's complete terms and conditions of employment for the full term of the assignment. Hydro One will advise the Society after a personal services contract with a Society-represented employee is signed.

6.1.3 Hydro One will indemnify, or cause to be indemnified, each employee who, in the course of work on temporary out-of-province assignment, becomes subject to a claim made against him/her or to a threat of discipline from an association with statutory power to apply professional standards. Article 13 will apply unless indemnification provisions specific to a given contract or project are identified in the personal services contract.

6.2 Filling the Pre-Assignment Position

Before the employee commits to the assignment, Management will determine whether it intends to fill the position on a temporary or regular basis and discuss the decision and rationales with the employee. Hydro One will inform the employee of any intent to change this plan while the employee is on an out-of-province assignment.

6.3 Redeployment Upon Completion of Assignment

6.3.1 The line manager in the employee's pre-assignment Business Unit shall provide or shall identify appropriate personnel to provide the returning employee with employment-related information and assistance and to carry out the provisions of this Subsection upon completion of the assignment and return to Ontario.

6.3.2 When the employee's pre-assignment position with Hydro One continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.

6.3.3 When the employee's pre-assignment position with Hydro One no longer exists or has been filled regularly, and the employee is not surplus by operation of Article 64, the employee shall be placed in an Hydro One vacancy for which he/she is qualified, in the following order:

- a) a lateral vacancy within the employee's pre-assignment Business Unit at the pre-assignment location;
- b) within the pre-assignment Business Unit, a choice of a lateral vacancy at a new location, or a vacancy within two salary grades lower at the pre-assignment location;
- c) within the pre-assignment Business Unit, a vacancy within two salary grades lower, in a new location;
- d) redeployment in accordance with Article 64.

6.3.4 Placements under Subsection 6.3.3 (a), (b) or (c) above are exceptions to Hydro One posting requirements, consistent with Subsection 65.6.1 (b).

6.3.5 When there is a reasonable expectation that an employee will be placed in a different position upon return from a temporary out-of-province assignment, Hydro One will identify and notify the employee of potential placements. An employee who is not placed within 30 days of completion of the assignment and return to Ontario shall have the right to be redeployed in accordance with Article 64.

6.4 Employment Continuity During Temporary Out-of-Province Assignment

6.4.1 Employees on temporary out-of-province assignments will be neither advantaged nor disadvantaged with respect to rights under Article 64 upon return from the assignment. When an employee's pre-assignment position has been included in a Unit of Application for redeployment under Article 64, the employee will be redeployed in accordance with Article 64.

The Joint Redeployment and Planning Team (JRPT) will consider issues such as:

- the number of employees within the unit of application who are on temporary out-of-province assignments;
- the duration of the assignments;
- the seniority of the affected employees;
- the qualifications of the affected employees;
- the ability to factor the employee into the on-going joint planning efforts (i.e., will the employee be returning during or shortly after the joint planning process);
- the ability to fill positions in the new organization on a temporary assignment basis in order to accommodate a returning employee;
- the need to fill positions in the new organization on a continuing basis;
- the need to keep employees apprised of developments within their unit of application that may impact on their job status during the assignment.

6.4.2 If an employee is declared surplus while he/she is on temporary out-of-province assignment, the employee will be notified and all surplus entitlements will be deferred until the employee completes the assignment and returns to Ontario.

6.4.3 An employee on temporary out-of-province assignment who is subject to redeployment under Article 64 in his/her absence and the JRPT determines:

- a) the employee would have been matched to a position by virtue of seniority and qualifications and is, therefore, deemed not surplus; and
- b) the employee will not be matched in the redeployment; then the employee will be entitled to treatment under Section 6.3 above.

7 LETTERS OF UNDERSTANDING

7.1 Letters of Understanding will form part of this collective agreement. Letters of Understanding are found in Part XVI.

7.2 Letters of Understanding

7.2.1 Intent

A Letter of Understanding may serve the following purposes:

- amend or add to the current provisions of the agreement;
- elaborate/clarify the intentions of a provision of the collective agreement
- establish provisions for issues not covered by the agreement

7.2.2 Grievance/Arbitration

Letters of Understanding are subject to the same grievance and arbitration provisions as are other items in the collective agreement

7.2.3 Approval

Letters of Understanding must bear the signatures of both the Vice-President Labour Relations (for Hydro One) and the Local Vice-President (for the Society) or their designates.

7.2.4 Duration

The parties agree that, for the most part, Letters of Understanding should contain "sunset clauses". In those cases where such a clause has not been put into a Letter of Understanding, the Society and Hydro One will at some time during collective agreement negotiations determine the status of each such Letter of Understanding (e.g., incorporate in to the collective agreement, delete it, extend it, etc.).

PART III - VOLUNTARY RECOGNITION AGREEMENT

8 VRA AMENDMENTS

A Voluntary Recognition Agreement (VRA) between Ontario Hydro and the Society came into effect on January 14, 1992. A complete text of the VRA between Ontario Hydro and the Society is found in Appendix IV. The VRA, as amended in this Article, is applicable to Hydro One. The VRA shall remain in effect thereafter except for Sections 4.0 and 5.0 of the VRA (outlined in Articles 14 and 15 of this Agreement) which may be terminated by written notice by either party not less than six months prior to the expiry of the Collective Agreement in operation on January 1, 2005 or any subsequent Collective Agreement. On January 6, 2003, Hydro One provided the Society with written notice of termination of paragraphs 4.0 and 5.0 of the VRA.

In the event that either party desires to amend the VRA on or after January 1, 2005, it must notify the other party in writing not less than six months prior to the expiry of the Collective Agreement in effect on January 1, 2005 or thereafter six months prior to the expiration of any subsequent Collective Agreement. In such circumstances the parties will have the right, if either party so chooses, to appoint a mutually agreeable mediator for the purpose of reaching a settlement of the issues and where there is mutual agreement the mediator shall arbitrate outstanding matters in dispute.

Notwithstanding the above, the parties may mutually agree to amend the VRA at any time.

8.1 Supervisory Employees

For the purposes of this Article, the parties agree that Supervisory positions are those that are not excluded under Article 2.0 above and that satisfy the following criteria:

- a) Employees on Salary Schedule 01 who under Plan A "Nature of Supervision" have either Degree 3 (or higher) or its equivalent;
- b) Employees on Schedules 02 or 03 on condition they normally supervise other employees.

PART IV - COLLECTIVE AGREEMENT TERM - NO STRIKE/NO LOCKOUT

9 COLLECTIVE AGREEMENT TERM - NO STRIKE/NO LOCKOUT

9.1 This Collective Agreement shall remain in effect from ***April 1, 2016 to March 31, 2019*** inclusive and, thereafter, shall be renewed automatically from year to year unless either Party notifies the other in writing not less than 90 days prior to the expiration of the Collective Agreement that it desires to amend the Collective Agreement.

9.2 No Strike/No Lockout

The Society, employees within the scope of the bargaining unit, and Hydro One are pledged to the effective and efficient operation of Hydro One and they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production during the term of the Agreement.

Nothing in this Collective Agreement is intended to interfere with the exercise of lawful economic sanctions under the *Ontario Labour Relations Act* and the *Canada Labour Code* by any member of the bargaining unit or bargaining units as the case may be or by the Society itself should either party to the Agreement elect to terminate Sections 4.0 and 5.0 of the Voluntary Recognition Agreement.

9.3 Transition Provisions

9.3.1 The following transitional provisions have no application to any person who was not an employee on January 1, 1999.

9.3.2 The term “bargaining unit” for the purposes of Section 9.3 herein (“this Section”) will mean the Society bargaining unit with one of Ontario Power Generation Inc. (Nuclear), Ontario Power Generation Inc. (Non - Nuclear), Hydro One Inc., Independent Market Operator or Electrical Safety Authority.

9.3.3 After December 31, 2002, an employee in a bargaining unit who is declared surplus, who is eligible to exercise rights under *the* “Pre Mix and Match Surplus Declarations” LOU (dated March 31, 1995) or who has recall rights is eligible to apply to posted vacancies in another bargaining unit. Such applicant will be given fair and objective consideration for employment before new hires. A successful applicant will transfer his or her service to the new Employer in accordance with paragraph 9.3.5, below. No employee hired under this provision will be entitled to any relocation or moving expense under the provisions of any Collective Agreement.

9.3.4 An employee in a bargaining unit, to the extent he/she is not subject to other selection – provisions in this Section, may apply for posted vacancies and placement in another bargaining unit as an external applicant on the basis of Article 65.6.3(h).

9.3.5 Any successful applicant to a position in another bargaining unit shall transfer all accumulated service, vacation, seniority, pension, and sick leave credits as set out in Articles 4 (“Service Credits”), 44 (“Sick Leave Plan”) and 64

("Redeployment, Surplus Staff Procedure and Change of Employer") to the new employer. The employee shall be reimbursed by the former employer for all his or her outstanding accumulated vacation, including current year, bonus, banked and deferred vacation, as applicable under Article 40 ("Vacation") according to the collective agreement with the former employer. The provisions of this paragraph also apply to employees changing bargaining units pursuant to LOU #4.

- 9.3.6 Priority consideration for vacancies and service credit transfer under this Article shall only apply where it is reciprocated in the collective agreement of the bargaining unit from which the employee is applying/transferring.

PART V - UNION SECURITY

10 SOCIETY MEMBERSHIP AND DUES DEDUCTION

10.1 Membership in the Society

The Society agrees to permit members to withdraw from membership in the Society.

10.2 Dues Deduction (Rand Formula)

Society dues, as prescribed by the Society Constitution, or an equivalent amount, shall be deducted monthly (or more frequently if agreed) by Hydro One by compulsory payroll deductions from all Society-represented employees and shall be forwarded to the Society on their behalf with a list of appropriate employee information.

The Society confirms it will respect the applicable provisions of the *Ontario Labour Relations Act (RSO 1990)* and the *Canada Labour Code* with respect to bona fide religious convictions or beliefs.

11 PRINCIPLES REGARDING INVOLVEMENT WITH RESPECT TO SUCCESSOR RIGHTS

Consistent with the parties' commitment to deal with issues in an open and co-operative manner with the earliest possible involvement of each party, the parties have developed the following principles and intent:

- a) Prior to the finalization of negotiations that could lead to the sale of all or part of the business, privatization of all or part of a Business Unit, the creation of joint ventures or partnerships or other enterprises which could adversely impact on the Society's bargaining rights or the contractual rights of its members, the Society will be consulted to the extent that circumstances reasonably permit. The Society agrees that confidentiality will be maintained.
- b) The parties agree to attempt to minimize the negative impacts on Hydro One employees in these circumstances.
- c) Hydro One agrees to apprise any external third party involved in negotiations that Hydro One has employees represented by the Society and Hydro One will undertake to provide the Society with an opportunity to present its interests to the third party.

PART VI - DISPUTE RESOLUTION PROCESSES

12 No DISCRIMINATION

12.1 Human Rights

Every employee has a right to be free of harassment and discrimination in the workplace on the basis of prohibited grounds, as outlined in the Hydro One Human Rights Policy. An employee who has a harassment or discrimination complaint on the basis of these grounds will have access to Hydro One's Human Rights and Harassment Complaints resolution policy process or the grievance process.

Any Society-represented employee involved in Hydro One's Human Rights and Complaints process may consult with and be accompanied by a Society representative if he or she chooses to do so. No record of a complaint will be maintained in an employee's personnel file, except in the case of individuals who have received disciplinary action. Any person against whom a formal complaint is filed must be given particulars of the complaint.

As long as an employee has an active complaint of discrimination or harassment on the basis of prohibited grounds, either under Hydro One's Human Rights and Complaints process or with the Human Rights Commission, the Society will not make such a complaint or Hydro One's process the subject of a grievance on the employee's behalf.

12.2 Union Activity

Hydro One shall not discriminate against an employee on the basis of membership or activity in the Society. An employee who has a complaint of such discrimination shall have the right to seek redress under the Grievance and Arbitration Procedure.

13 EMPLOYEE INDEMNIFICATION

13.1 Hydro One will provide assistance and financial indemnification to an employee who, as a consequence of performing the normal duties of his or her job for Hydro One, is made, or threatened to be made, a party to a civil action or a criminal proceeding (other than for offences under the Criminal Code of Canada) or quasi-criminal proceeding, or other administrative proceeding (such as formal complaint filed with the Human Rights Commission), or is subject to a threat of discipline or actual discipline from an association that is empowered by statute to regulate professional standards. This assistance will include independent legal representation at Hydro One's expense, subject to Hydro One's approval of the employee's choice of his/her counsel.

Notwithstanding the above paragraph, Hydro One will not provide financial indemnification to an employee considered by Hydro One to have acted with dishonesty, bad faith, or with intentional or reckless disregard for the best interests of Hydro One.

An employee who is subject to prosecution under criminal law (Criminal Code of Canada) as a consequence of performing the normal duties of his/her job and found to be not guilty, or against whom charges have been dropped, may receive financial indemnification.

14 VOLUNTARY RECOGNITION AGREEMENT DISPUTES

14.1 Enforcement

The primary method of enforcement of the Voluntary Recognition Agreement shall be pursuant to the grievance and arbitration provision in this Collective Agreement. However, should the Collective Agreement not be in operation or applicable to the dispute, either party shall have the right to refer to final and binding arbitration any differences between the parties arising from the interpretation, application, administration or alleged violation of the Voluntary Recognition Agreement, including any question as to whether a matter is arbitral.

Subject to the conditions of this Agreement, if a mediator or arbitrator is not appointed within 30 days of a matter being referred to mediation and/or arbitration, either the Society or Hydro One shall have the right to refer the matter to the Minister of Labour (provincial or federal) or the Chief Justice of the Ontario Court of Justice and the Minister or Chief Justice shall appoint a mediator and/or arbitrator. The arbitrator will have the power accorded under the *Ontario Labour Relations Act* and the *Canada Labour Code*.

15 HEALTH AND SAFETY DISPUTES

15.1 Except for disputes involving the principles set out in the Tripartite Agreement on Joint Health and Safety Committees, all other disputes involving allegations that Hydro One has violated the provisions of the *Occupational Health and Safety Act (OHSA)* will not be subject to the provisions of the grievance/arbitration procedure except where provided for by the legislation itself. The parties will attempt to resolve such disputes at the lowest level possible. Failing resolution, the dispute may be forwarded to the Ministry of Labour for final resolution.

15.2 Disputes which involve interpretations about Sections of the OHSA, or any of its associated regulations will be resolved in accordance with the procedure set out in the joint agreement "*Handling Legislative and Regulatory Impasses Pertaining to the Occupational Health and Safety Act and its Associated Regulations*" dated December 5, 1991.

16 COMPLAINT AND GRIEVANCE/ARBITRATION PROCEDURE

16.1 Preamble and Principles of Operation

The following procedure for dispute resolution consists of three elements: a complaint process, a grievance procedure and an arbitration process. These processes will be used by the Parties in order to resolve complaints and grievances submitted by Society-represented staff, the Society, or Hydro One unless the parties have expressly agreed elsewhere in this Agreement on alternate dispute resolution processes to limit the scope of the grievance/arbitration procedure.

Early discussions and resolutions at the lowest level possible are encouraged because this leads to addressing issues before a grievance is lodged. The Parties also recognize that early and open discussions are key to maintaining a positive working relationship.

The Parties recognize the need for open and honest discussions at all levels of the complaint and grievance process. These discussions will allow for a common

understanding of all the facts and will enhance the chance of a mutually acceptable resolution.

This process should have the flexibility to respond to the advantages gained through a problem-solving approach to dispute resolution.

This process is designed to be simple, efficient, and understandable for all parties involved.

16.2 Definitions

a) Employee Complaint

An employee complaint is a claim of unfair treatment that an employee has requested the Society to present on the employee's behalf. An employee complaint which does not meet the criteria of an employee grievance shall not be subject for the grievance/arbitration procedure.

b) Employee Grievance

An employee grievance is defined as any dispute between Hydro One and the Society arising from the application, administration, interpretation or alleged violation of the Collective Agreement, or unreasonable exercise of Management discretion in the administration and application of the collective agreement. An employee grievance shall be filed at Step 2, normally following consideration of an employee complaint at Step 1.

c) Group Grievance

A Group grievance is defined as any dispute between Hydro One and the Society arising from the application, administration or alleged violation of the Collective Agreement, or unreasonable exercise of Management discretion in the administration and application of the collective agreement relating to the same dispute by more than one employee. A Group grievance shall be filed at Step 2. Grouped complaints will normally be considered at the Complaint Step if the employees report to a single supervisor.

d) Policy Grievance

A Policy grievance is defined as any dispute between Hydro One and the Society arising from matters of application, administration, interpretation, or alleged violation of the Collective Agreement. A policy grievance shall be filed at Step 2, and must be filed within 60 days after the circumstances giving rise to the grievance have come or ought to have reasonably come to the attention of the Society.

e) Management Grievance

Hydro One may present to the Society any complaint with respect to the conduct of the Society. If such a complaint is not resolved, it may be treated as a grievance and referred to arbitration under the provisions of this Article.

16.3 Scope Notes – Grievance and Arbitration

16.3.1 Grievances concerning personal performance appraisals which are not related to the interpretation or application of Article 19 are not arbitral. These

grievances will be processed up to and including step 2 of the grievance process.

If a grievance concerning an employee's performance appraisal cannot be resolved by the step 2 Committee, the performance assessment, which includes the employee's comments, will stand as a record of that year's appraisal.

- 16.3.2 Grievances related to selections based upon Article 65.6.4 may be processed through the grievance/arbitration process. If the arbitrator rules the process for selection was unfair, the arbitrator is limited to ordering a new selection process take place.
- 16.3.3 Disputes concerning Article 90 relating to the Occupational Health and Safety Act or Part II of the Canada Labour Code will normally be referred to the Ministry of Labour consistent with Article 15.
- 16.3.4 Both Hydro One and the Society have access to the grievance/arbitration procedure for disputes arising from the application of Part II (Recognition).
- 16.3.5 The grievance/arbitration procedure may be used to challenge any unreasonable, arbitrary or bad faith action taken by Hydro One which results in the exclusion of any employee or position from the bargaining unit. The Parties will attempt to resolve disputes expeditiously. The Society may initiate an unresolved dispute as a Policy Grievance.

16.4 Timeliness

The grievance procedure shall proceed without unnecessary delay. It is recognized that in some cases strictly enforced time limitations may interfere with a mutually acceptable process of fact-finding or problem resolution. However, either Party may invoke a time limitation upon five (5) days' written notice to the other Party. Except by mutual agreement, time limits for initiating a complaint/grievance, however, must be adhered to.

16.5 Step 1: Employee Complaint

- a) The Society will file an employee's complaint with the local line manager within 30 working days of the date the employee should reasonably have been aware of the action or decision giving rise to the complaint. The Society will provide a form outlining the grievor's complaint, proposed resolution and will identify the employee's society representative.
- b) An employee's complaint must normally be raised with the employee's supervisor and/or Society delegate and every effort should be made to resolve it informally. Hydro One will provide independent facilitation where the Parties agree that this is a reasonable approach to resolving the complaint.
- c) Where mutually agreeable, the Society may initiate an employee grievance arising from disciplinary suspension or discharge directly at Step 2.
- d) Local management and the Society representative will meet to attempt resolution within ten (10) working days of the date that the complaint is filed. Where mutually agreeable, the employee may attend the Step 1 meeting. Any resolution at Step 1 will be without prejudice and will not constitute a precedent in any other matter between the Parties except by written agreement.

16.6 Step 2: Meetings of The Standing Grievance Settlement Committee (“GSC”)

- a) The Society may file an employee’s intent to grieve, with the grievor’s manager, within ten (10) working days of the step 1 meeting. The Society will file all Step 2 grievances within 30 working days from the 1st Step meeting. A policy grievance shall be initiated at step 2. The grievance form will indicate the articles in issue, outline the grievance and wherever possible, propose a resolution.
- b) Where a grievance is based upon discrimination or harassment, the parties will attempt to incorporate the following elements into the fact-finding :
 - i) the use of a neutral investigator agreeable to both parties;
 - ii) consideration of reports from preceding investigations;
 - iii) interviews with affected employees;
 - iv) mediation, if deemed appropriate by the parties upon consent of the affected employees.
- c) The parties will form a standing grievance settlement committee that will regularly schedule one meeting day every other month to attempt settlement of the grievance before it. Each party will appoint 3 standing members to the GSC. Each GSC shall comprise 1 standing member from each of the parties. These appointees must be representatives with decision-making authority.
- d) GSC hearing dates shall be determined and published annually on a calendar basis.
- e) Grievances heard by the GSC may be resolved by written agreement of the GSC. Unresolved grievances may be referred to expedited arbitration.

16.7 Grievance Arbitration

16.7.1 Expedited Arbitration

- A. Subject to Subsection 16.7.2, either Party may refer an unresolved grievance to expedited arbitration within 10 working days following the end of the Step 2. Expedited Arbitration shall be by a single arbitrator chosen by mutual agreement from the list at Article 16.7.5.
- B. Multiple cases will be heard on each day of expedited arbitration.
- C. Written briefs will be exchanged between the parties 1 week in advance of the expedited arbitration. Copies of the briefs will be forwarded to the arbitrator 1 week in advance of the hearing.
- D. The arbitrator will rely upon the briefs as much as possible and witnesses will only be called if required by the arbitrator.
- E. Expedited arbitrations will be held in alternating months in which the GSC hears grievances.

16.7.2 Regular Arbitration

- A. Unless the parties agree that expedited Arbitration is appropriate, Grievances based upon i) discharge/discipline, ii) harassment or discrimination, iii) policy grievances or iv) any other grievance the parties agree is not suitable for expedited arbitration, will be referred to a mutually agreeable arbitrator as per Article 16.7.5. Either party may refer an unresolved grievance to a single arbitrator within 10 days of the Step 2

meeting. Regular arbitration shall be scheduled within 60 days of the referral to arbitration.

16.7.3 General

- A. Each Party shall assume its own costs of the arbitration proceedings and shall share equally the cost of the arbitrator.
- B. An arbitrator shall consider any difference which arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this agreement has been violated. An arbitrator shall also consider any matter of interpretation, application, and administration of policy and practice as may be referred to him/her by employee grievance. An arbitrator shall consider only such evidence as is presented to him/her by representatives of Hydro One or the Society.
- C. The arbitrator shall have the power to settle or decide such matters as are referred to him/her in a fair and equitable manner, and the arbitrator's decision shall be final and binding. An arbitrator shall not have the power to amend or terminate this Agreement, policies, or procedures save only any policies and procedures which may conflict with the terms of this Agreement.
- D. If mutually agreeable, the arbitrator may be requested to act as a mediator prior to formally commencing the arbitration.
- E. All arbitration decisions shall be delivered to the parties within 10 days of the arbitration hearing

16.7.4 Arbitrators

The following individuals are to be used as arbitrators if mutually agreed to:

John Stout
Fred von Veh
Laura Trachuk
 Jules Bloch
 Rob Herman
 Kevin Burkett

17 DISCIPLINE AND DISCHARGE

- 17.1 No employee, except as noted below, shall be disciplined or discharged without just cause.

When disciplining or discharging probationary employees for just cause, it is recognized that the probationary period is an extension of the selection process and that these employees have short service. Therefore, the threshold for discipline and discharge may be less than that of a regular employee in similar circumstances.

- 17.2 An employee is entitled, prior to the imposition of discipline or discharge, to be notified at a meeting with Management of the reasons for considering such action, unless he/she is a danger to himself/herself or others. A Society representative may be present at such a meeting if the employee so desires. The Society representative will be advised a minimum of 24 hours in advance by Management of the time and place of the meeting.

- 17.3 Where an employee is required to participate in an interview in circumstances where discipline is likely to follow for such employee, the employee shall be advised of his or her right to have a Society representative present, and to have such a representative present during the interview if he or she chooses.
- 17.4 Disciplinary penalties resulting in a suspension without pay will not be imposed until a final decision (agreement between the Society and Hydro One or an arbitrator's decision) has been reached.
- 17.5 Employment File
- a) Documents communicating discipline and discharge will be maintained in the employee's official employment file (normally 901 file).
 - b) Unless otherwise agreed to, after documents communicating discipline have been on an employee's file for a maximum of two years, and there have been no further disciplinary occurrences, then the documents communicating discipline will be removed
 - c) Employees shall be allowed access to their own personnel files. Employees should submit the written request to their supervisor. Review of the file shall be carried out in the presence of the supervisor or human resources contact. Additions or deletions to the file shall be made only with the approval of the supervisor and the human resource contact.

18 PRINCIPLE AND PROCESS OF PRIOR INVOLVEMENT IN JURISDICTIONAL ISSUES/DISPUTES

- 18.1 Hydro One should advise the Society and provide an opportunity for its involvement at the appropriate organizational level (e.g., Hydro One, Business Unit, Division, Station) prior to making any final decision which could adversely affect the Society's jurisdiction.

The Society's jurisdiction may be adversely impacted by an organizational or operational changes, including technological changes, workload changes, and business process re-engineering. The Society's jurisdiction is adversely impacted by any assignment of functions customarily done by Society-represented employees to persons or employees outside of its bargaining unit and/or reduces the proportion of work customarily performed by Society-represented employees relative to that done by persons or employees outside of its jurisdiction.

- 18.2 Prior to making a final decision that could adversely impact the Society's jurisdiction, at the request of either party, Hydro One will establish a joint team with the Society which will review relevant facts and issues. In the event that the jurisdiction of another union is affected by this decision, the Society and Hydro One will strive to include a representative of this union in the review team. The criteria considered by the joint or tripartite review team will include the following:

- representational rights
- skill and training
- safety
- economy and efficiency
- past practice

- 18.3 The parties agree to make their best efforts to reach consensus on issues affecting the Society's jurisdiction which will form the basis of recommendations to Senior Management.
- 18.4 In the event that consensus is not reached on issues affecting the Society's jurisdiction or Senior Management rejects the joint/tripartite team's recommendation(s), Hydro One will make the final decision and will provide written rationale for the decision to the Society.
- 18.5 The principle and process set out in 18.1 to 18.4 are not grievable with the exception of Hydro One's final decision. The recommendations of joint tripartite teams are without prejudice and cannot be relied upon at grievance/arbitration or before any labour relations board.

19 PERFORMANCE APPRAISAL FEEDBACK AND PERFORMANCE MANAGEMENT

19.1 Principles

- 19.1.1 Supervisors are expected to ensure all employees understand what is expected of them, encourage ambitious goal setting, stress accountability for results, and tolerate honest mistakes but not poor performance.
- 19.1.2 The Performance Appraisal process will be conducted in an atmosphere of mutual respect and empathy to encourage a positive two-way communication session. The employee should be given adequate notice and time to prepare.
- 19.1.3 The supervisor will endeavour to provide recognition to employees commensurate with contribution and performance. Performance expectations should be guided by the job document, work program of the unit and the employee's length of service in the job.
- 19.1.4 The supervisor should communicate on an ongoing basis and counsel the employee toward improved performance. Also, opportunities for improvement, training, performance counselling, assistance and sufficient opportunity and time to raise performance to the level required, should be part of the building blocks for the future.
- 19.1.5 The employee is responsible for recognizing that a problem exists and making a joint commitment to improve performance, or to jointly look at other alternatives, such as job skill match, etc.

19.2 Every employee has the right to an annual assessment with written feedback of his/her work over the preceding twelve (12) months.

19.3 Employee must be provided with a written record of the performance appraisal. Employees should receive written confirmation that the performance appraisal has taken place, and a statement of the employee's step standing as of the next "anniversary" progression date.

19.4 Performance Management

- a. If an employee fails to make satisfactory progress, his/her progression may be withheld for a period of six months.

- b. In taking this action, the Employer shall provide the employee and his/her Society representative with one month's notice with written reasons for withholding the progression and what is required to rectify the unsatisfactory performance.
- c. The performance of an employee whose progression has been withheld as above will be reviewed within six months. If progress and general performance are found to be satisfactory, progression shall be granted and the review date becomes the employee's new anniversary date. However, if progress and general performance are not satisfactory, the employee shall be either transferred or dismissed.
- d. If six months after the review his/her performance has continued to be satisfactory, he/she may be granted the next step in his/her progression. This will then re-establish his/her original progression status.

20 ROLE OF SUPERVISORS

20.1 As members of Hydro One's managerial staff, supervisory employees have a role to play in the resolution of disputes in their work units before they reach the grievance/arbitration procedure. In the event that a dispute reaches the grievance/arbitration procedure, the Society agrees not to discriminate against supervisors who represent Management in Society grievances.

20.2 The Society will exclude supervisors directly involved in a particular grievance from the decisions on the referral of the grievance through the grievance/arbitration procedure. Supervisors will not act on behalf of the Society in matters associated with a particular grievance where the grievance has been lodged by another member(s) who reports to the particular supervisor.

20.3 Society Representatives

A Society representative will be granted reasonable time off from normal duties and have normal base earnings maintained while acting as a Society representative in any of the steps of the grievance procedure or when required by Management to be a participant in arbitration proceedings under Articles 16, 19, and 64. Requests for time off will be made to Labour Relations, Hydro One Human Resources.

PART VII – PENSION AND INSURANCE

21 LIFE INSURANCE

21.1 The benefits and terms and conditions of the benefit entitlement for group life, living benefit and spousal life insurance for employees are as described in: the Collective Agreement; the brochure entitled “Group Life Insurance, Living Benefit and Spousal Life Insurance, updated May 31, 2000”. These documents, by reference, form part of the Collective Agreement. The benefits and terms and conditions of benefit entitlement as described in the above documents can be changed by mutual consent only.

21.1.1 The employee will be required to submit evidence of insurability if a re-election results in total increased insurance coverage.

21.1.2 Any re-election shall become effective on the January 1st following the year in which the re-election is made or on the date of approval by the insurer of any required evidence of insurability, whichever is later.

21.2 Life Insurance Options

Option	Basic Term Insurance ³	Additional Term Insurance ⁴
I	Two Times Base Salary	Nil
II	Two Times Base Salary	One Times Base Salary

21.3 An employee is eligible to purchase additional term life insurance in blocks of \$10,000 to a maximum of \$150,000 at no cost to the employer. Effective April 1, 2008, the Employer will no longer subsidize the cost of optional life Insurance.

21.4 An employee who meets the following criteria shall be eligible to cash out 50% of his/her total claim value to a maximum of \$50,000.

Criteria:

- the illness must be terminal with death likely to occur within 24 months;
- Hydro One’s consent is required;
- the consent of the employee;
- the beneficiary must have reached the age of majority; and
- the employee must be competent and able to understand a transaction of this nature.

Payments must be processed as a loan and interest charged to avoid making the payment a taxable benefit to the employee.

³ Basic Term Insurance is composed of term insurance equal to base annual earnings raised to the next \$500.00 and multiplied by 2.

⁴ Additional Term Insurance is the optional term insurance which an employee may elect in addition to the basic insurance coverage. It is equal to base annual earnings raised up to the next \$1,000.00.

When death occurs, the advance payment plus accrued interest is deducted from the claim value.

21.5 Spousal Insurance

21.5.1 Only spouses of active employees are eligible.

21.5.2 Insurance is available in units of \$10,000 to a maximum of \$150,000 (or 15 units).

21.5.3 The entire cost, including administration costs, will be paid by the employee.

21.5.4 The participation rate will have to be 20-30% otherwise proof of insurability will be required.

21.5.5 The premium rate will be different from the rate for employees, and will be experience rated. The premiums would then vary from year to year based on the experience of the previous year.

21.6 Dependent Insurance

21.6.1 Effective March 1, 2002 employees may purchase life insurance for their eligible dependents in the amounts of either \$10,000 or \$25,000 as detailed by the Insurance Carrier and at no cost to the employer.

22 PENSION PLAN

The Hydro One Pension Plan (Registration #1059104) constitutes the present Pension Plan and forms part of this collective agreement. The provisions of the Pension Plan are generally described in the brochure "A Guide to your Hydro One Pension Plan" (June 23, 2002).

Changes to the Pension Plan affecting Society-represented members of the plan, other than legislative changes, shall be made only upon mutual consent. It is agreed that normal administrative matters such as changing financial advisors are not considered to be changes to the Pension Plan, subject to any understanding, agreement or decision to the contrary with the PWU.

22.1 The employer shall not request legislation, regulations, or Order-in-Council approval or make rules which would change pension benefits, unless upon mutual consent. Moreover, the employer shall not seek legislation to change access to surplus unless upon mutual consent.

22.2 Any changes to actuarial assumptions used for the purpose of filing a funding valuation shall be discussed with the Society prior to filing. The Society reserves the right to challenge the actuarial assumptions used for such filing.

22.3 **Benefit Changes**

a) Actuarial Buy-Backs of Previous Service

The purchase of previous service at actuarial values pursuant to Amendment 17 of the Hydro One Pension Plan is limited to employees who were members of the

Pension Plan on or before March 31, 2013.

b) Employees Hired Before November 17, 2005 (“Legacy Plan Members”)

Effective March 31, 2025 for future service benefit accruals for current employees:

- **Adjust the number of years for final average earnings to 5 years from 3 years**

Explanatory Note on Pension Change for Legacy Plan Members

Final Average Earnings

- **Pension benefits earned for future service beginning March 31, 2025 will be based on a high five-year average instead of a high three-year average; the high three-year average will continue to apply to pension benefits earned for service prior to March 31, 2025.**

c) Employees Hired on or after November 17, 2005 (“New Plan Members”)

Effective January 1, 2018, a bridge benefit will be added equal to 0.625% up to the average YMPE for each year of service from January 1, 2018 onward while the member is earning a benefit under the basic formula; for clarity there will be no 35/30 multiplier applied to the 0.625%

22.4 Retirement Bonus

Employees who have completed 10 years or more of continuous employment shall be given, upon retirement, a cash bonus equal to one month’s pay. The retirement bonus may be paid in cash or by transfer to an employee’s Registered Retirement Savings Plan (RRSP), at the employee’s option.

22.5 Pension Committee

The parties agree to establish a committee to:

- provide a forum for the discussion of Society issues and concerns related to the operations of the pension administration unit;
- provide a forum for the discussion of contractual obligations (e.g. the introduction of new amendments to the plan, discussion of actuarial assumptions used for funding valuations);
- provide the Society with information on pension related issues that may be of assistance in educating their members;
- provide a forum to review valuations filed with FSCO or valuations to be used to trigger increased employee contributions and annual pension plan financial statements that have been approved by Hydro One.

In order to fulfill its purpose, the committee members and resource persons will have access to reasonable pension plan and pension fund information, subject to the

understanding that certain confidential information will not be available, and any confidential information that is supplied will be maintained in strict confidence by the committee/resource persons.

The Committee will be comprised of two Society representatives and two Employer representatives. Each party shall have the right to have a reasonable number of resource persons attend the meeting. The Committee shall meet twice per year.

22.6 Society members of the Hydro One Pension Plan, whose pension income as a pensioner will exceed the limits prescribed by the Income Tax Act (ITA) for pension paid from a registered pension plan, are eligible for the Supplementary Payment Schedule (SPS). The SPS tops up the amount one receives from the Hydro One Pension Plan to the amount one would receive if there were no ITA limits.

22.7 Hydro One shall exercise reasonable efforts to establish reciprocal transfer agreements with its successor companies or companies with whom it forms partnerships or joint ventures.

22.8 **Plan Contributions**

a) Employee pension plan contributions **for Legacy Plan Members** shall be increased as follows:

- By **0.5% of base earnings below and above YMPE effective April 1, 2016**
- **By 0.75% of base earnings below and above YMPE effective April 1, 2017**
- **By 1.00% of base earnings below YMPE and by 1.5% of base earnings above YMPE effective April 1, 2018**

For clarity, the contribution rate as of April 1, 2018 will be 8.75% of base earnings below YMPE and 11.25% of base earnings above YMPE.

b) **Employee pension plan contributions for New Plan Members shall be increased as follows:**

- **By 0.5% of base earnings below and above YMPE effective April 1, 2016**
- **By 0.75% of base earnings below and above YMPE effective April 1, 2017**
- **By 0.5% of base earnings below YMPE and by 1.00% of base earnings above YMPE effective April 1, 2018**

For clarity, the contribution rate as of April 1 2018 will be 8.25% of base earnings below YMPE and 10.75% of base earnings above YMPE.

c) **Plan Formula (This sub-section will be deleted effective April 1, 2018. Amendment 10, Part 4 of the Hydro One Pension Plan will cease as of this date).**

(This Sub-section does not apply to regular employees hired on or after November 17, 2005).

Effective January 1, 2004, the CPP integration adjustment factor shall be reduced from .625% to .500%. Employees' contributions shall increase by .5% if and when

the assets fall below 106% of the liabilities based upon a solvency valuation and shall continue until the assets are at or above 106% based upon a solvency valuation, and shall thereafter be in place or not based upon whether the assets are below, or at or above, 106% of the liabilities based upon a solvency valuation.

Clarity Note #1:

Hydro One may trigger the provision for increasing employee contributions as described above (“provision”) by filing a valuation with the Financial Services Commission of Ontario (FSCO). Where it does so, it is not required to exceed the frequency of filing required by law. Hydro One is not obligated to trigger the provision by a FSCO filing only, and, instead, may do so by an internal valuation. Where Hydro One elects to proceed by an internal valuation, it must do so annually and must share any valuation with the Society for comment if it is relying upon the valuation to cause employee contributions to change. If the Society believes the valuation to be in material error and Hydro One disagrees, the Society may cause a review of the valuation by an independent actuary whose opinion on that complaint shall be final and binding. The independent actuary mutually selected by the parties, or if in disagreement, appointed by a rights arbitrator under the collective agreement, may conduct his/her review in any manner he/she considers appropriate of his/her sole discretion. Hydro One shall pay the actuary’s fees and disbursements. However, if the independent actuary concludes, in his/her sole discretion, that the Society’s objections were unreasonable, the actuary may direct the Society to reimburse Hydro One for all or a portion of the fees and disbursements invoiced by the actuary.

Clarity Note #2:

The change in the CPP integration factor will apply to all of the established service of a Society-represented member who retires after the effective date provided that some portion of such Society-represented established service occurred after the effective date of the change in the CPP integration factor.

d) Employer Contributions

Employer current service contributions will not be less than employee contributions for the period up to March 31, 2025.

22.9 Pension Plan Provisions for Regular Employees hired on or after November 17, 2005

The following provisions apply to regular employees hired on or after November 17, 2005:

Benefit	Provision
Benefit Formula	2% per year to maximum of 35 years
Final Average Earnings	Highest 60 consecutive months
Bridge Benefit	See 22.3.c
Integrated with CPP	Yes (CPP integration adjustment factor = 0.625%)
Indexing	75% of Ontario CPI (maximum of 5%, no carryover)
Normal Retirement	Age 65
Early Unreduced Retirement	Rule of 85, based on Established Service.
Early Reduced Retirement	Age 55

Survivor Benefit	66.67%
Membership Eligibility	1 st of month following 3 months of continuous service. No buy back of these three months.
Vesting	1 year
Post Retirement Benefit Eligibility	2 years of pension plan membership and 10 years continuous service with Hydro One

All employees hired on or after April 1, 2016 or who become eligible to join the pension plan on or after this date will be required to join the Hydro One Pension Plan on the first day of the month following the completion of their probationary period or, where no probationary period is required, the first day of the month following 3 months of continuous service.

All provisions of the Pension Plan and this Article apply to regular employees hired on or after November 17, 2005 except Section 22.8.c (“Plan Formula”) and as otherwise specified in this Section.

The Employer will ensure affected employees are notified of their election options, including the default selection and the fact that the default option does not afford the employee the option to buy-back service. The Employer will copy the employee’s Society representative on this notice.

PART VIII - SALARY**23 SALARY SCHEDULES**

- 23.1 Salary rates shall be in accordance with Salary Schedules 01, 02 and 03 that are part of this Agreement.
- 23.2 The salary schedules shall be increased **by 0.5% effective April 1, 2016, by 0.5% effective April 1, 2017 and by 0.5% effective April 1, 2018.**

24 ESCALATOR CLAUSE

- 24.1 In the event that Hydro One and the Society negotiate a Collective Agreement for a term of more than one year, a Cost of Living Adjustment (COLA) escalator clause shall become part of such an Agreement and shall be applicable to all employees covered by that Agreement.
- 24.2 ***(Suspended for term of this Collective Agreement).***

HYDRO ONE
SALARY SCHEDULE 01
35 – HOUR SCHEDULE

01
16

Dollars Per Week

<u>Step</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
1	1,411	1,505	1,604	1,711	1,824
2	1,511	1,613	1,718	1,833	1,954
3	1,612	1,720	1,833	1,955	2,084
4	1,693	1,806	1,924	2,053	2,188
5	1,773	1,892	2,016	2,151	2,292
6	1,834	1,957	2,085	2,224	2,371
7	1,894	2,021	2,154	2,297	2,449
8	1,955	2,086	2,222	2,371	2,527
9	2,015	2,150	2,291	2,444	2,605

HYDRO ONE
SALARY SCHEDULE 02
37.5 – HOUR SCHEDULE

02	16
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Dollars Per Week

<u>Step</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
1	1,247	1,330	1,417	1,511	1,611	1,719	1,833	1,954
2	1,336	1,425	1,518	1,619	1,727	1,841	1,964	2,093
3	1,425	1,520	1,619	1,727	1,842	1,964	2,094	2,233
4	1,496	1,596	1,700	1,814	1,934	2,062	2,199	2,344
5	1,567	1,672	1,781	1,900	2,026	2,160	2,304	2,456
6	1,621	1,729	1,842	1,965	2,095	2,234	2,382	2,540
7	1,674	1,786	1,903	2,029	2,164	2,308	2,461	2,624
8	1,728	1,843	1,963	2,094	2,233	2,381	2,539	2,707
9	1,781	1,900	2,024	2,159	2,302	2,455	2,618	2,791

HYDRO ONE
SALARY SCHEDULE 03
40 – HOUR SCHEDULE

03	16
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Dollars Per Week

<u>Step</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
1	1,241	1,322	1,411	1,505	1,604
2	1,330	1,416	1,511	1,613	1,718
3	1,418	1,510	1,612	1,720	1,833
4	1,489	1,586	1,693	1,806	1,924
5	1,560	1,661	1,773	1,892	2,016
6	1,613	1,718	1,834	1,957	2,085
7	1,667	1,775	1,894	2,021	2,154
8	1,720	1,831	1,955	2,086	2,222
9	1,773	1,888	2,015	2,150	2,291

HYDRO ONE
SALARY SCHEDULE 01
35 – HOUR SCHEDULE

01	17
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Dollars Per Week

Step	MP2	MP3	MP4	MP5	MP6
1	1,418	1,513	1,611	1,719	1,833
2	1,519	1,621	1,727	1,842	1,964
3	1,620	1,729	1,842	1,965	2,094
4	1,701	1,815	1,934	2,063	2,199
5	1,782	1,902	2,026	2,161	2,304
6	1,843	1,967	2,095	2,235	2,382
7	1,904	2,031	2,164	2,309	2,461
8	1,964	2,096	2,233	2,382	2,539
9	2,025	2,161	2,302	2,456	2,618

HYDRO ONE
SALARY SCHEDULE 02
37.5 – HOUR SCHEDULE

02
17

Dollars Per Week

Step	FMP09	FMP10	FMP11	FMP12	FMP13	FMP14	FMP15	FMP16
1	1,253	1,337	1,424	1,519	1,620	1,727	1,842	1,964
2	1,343	1,433	1,526	1,628	1,736	1,850	1,973	2,104
3	1,432	1,528	1,627	1,736	1,851	1,974	2,105	2,244
4	1,504	1,604	1,709	1,823	1,944	2,072	2,210	2,356
5	1,575	1,681	1,790	1,910	2,036	2,171	2,315	2,468
6	1,629	1,738	1,851	1,975	2,106	2,245	2,394	2,553
7	1,683	1,795	1,912	2,040	2,175	2,319	2,473	2,637
8	1,736	1,853	1,973	2,105	2,245	2,393	2,552	2,721
9	1,790	1,910	2,034	2,170	2,314	2,467	2,631	2,805

HYDRO ONE
SALARY SCHEDULE 03
40 – HOUR SCHEDULE

03	17
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Dollars Per Week

<u>Step</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
1	1,247	1,328	1,418	1,513	1,611
2	1,337	1,423	1,519	1,621	1,727
3	1,426	1,518	1,620	1,729	1,842
4	1,497	1,593	1,701	1,815	1,934
5	1,568	1,669	1,782	1,902	2,026
6	1,622	1,726	1,843	1,967	2,095
7	1,675	1,783	1,904	2,031	2,164
8	1,729	1,840	1,964	2,096	2,233
9	1,782	1,897	2,025	2,161	2,302

HYDRO ONE
SALARY SCHEDULE 01
35 – HOUR SCHEDULE

01	18
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Dollars Per Week

Step	MP2	MP3	MP4	MP5	MP6
1	1,425	1,520	1,620	1,728	1,842
2	1,526	1,629	1,736	1,851	1,973
3	1,628	1,738	1,851	1,974	2,105
4	1,709	1,824	1,944	2,073	2,210
5	1,791	1,911	2,036	2,172	2,315
6	1,852	1,977	2,106	2,246	2,394
7	1,913	2,042	2,175	2,320	2,473
8	1,974	2,107	2,245	2,394	2,552
9	2,035	2,172	2,314	2,468	2,631

HYDRO ONE
SALARY SCHEDULE 02
37.5 – HOUR SCHEDULE

02	18
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Dollars Per Week

<u>Step</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
1	1,259	1,344	1,431	1,527	1,628	1,735	1,851	1,973
2	1,349	1,440	1,533	1,636	1,745	1,859	1,983	2,114
3	1,439	1,536	1,635	1,745	1,861	1,983	2,115	2,255
4	1,511	1,613	1,717	1,832	1,954	2,082	2,221	2,368
5	1,583	1,690	1,799	1,919	2,047	2,182	2,327	2,481
6	1,637	1,747	1,860	1,985	2,117	2,256	2,406	2,565
7	1,691	1,805	1,921	2,050	2,186	2,330	2,485	2,650
8	1,745	1,862	1,983	2,116	2,256	2,405	2,565	2,734
9	1,799	1,920	2,044	2,181	2,326	2,479	2,644	2,819

HYDRO ONE
SALARY SCHEDULE 03
40 – HOUR SCHEDULE

03	18
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Dollars Per Week

Step	TMS01	TMS02	TMS03	TMS04	TMS05
1	1,254	1,334	1,425	1,520	1,620
2	1,343	1,430	1,526	1,629	1,736
3	1,433	1,525	1,628	1,738	1,851
4	1,504	1,601	1,709	1,824	1,944
5	1,576	1,677	1,791	1,911	2,036
6	1,630	1,734	1,852	1,977	2,106
7	1,684	1,792	1,913	2,042	2,175
8	1,737	1,849	1,974	2,107	2,245
9	1,791	1,906	2,035	2,172	2,314

25 PAY TREATMENT OF PROFESSIONAL TRAINEES

25.1 Pay Treatment

Professional Trainees (“trainees”) will be paid at Step 1 or 2 of the MP2 salary schedule. Trainees will be defined as follows:

- a) all “new graduates” i.e. employees hired for Management and Professional (M&P) or Field Management and Professional (FM&P) work, when they have less than the following applicable experience requirements after Bachelor graduation:

Job Level	Applicable Experience Requirements
MP2	2 years
MP3 and over	2.5 years

or;

- b) employees who are appointed to entry M&P or FM&P positions from non-M&P/FM&P salary schedules where such employees are not fully qualified or do not meet the minimum experience requirements for the position.

25.2 Individuals with advanced degrees or some applicable experience may be given an appropriate time credit when they are placed on Salary Schedule 01.

25.3 Progression of trainees from step-to-step on Salary Schedule 01 will be dependent on satisfactory performance.

25.4 A trainee’s progression may be withheld due to unsatisfactory performance. In such cases the employee’s performance will be reviewed at the next progression date and, if performance has been satisfactory, the employee will progress to the next level. If progression must be withheld due to unsatisfactory performance for two consecutive progression periods, there may be cause for termination. If the employee’s performance is satisfactory for one year following the withholding of a progression step the employee will be awarded a two-step increase, thus restoring his/her original progression pattern.

An absence greater than one month due to illness, pregnancy, parental leave, etc. may result in an extension of a step in the progression process. The original progression dates may be reinstated if satisfactory progress can be shown to have been made during an extension period.

25.5 Management will appoint trainees who have not yet been appointed to an ongoing M&P/FM&P position to an ongoing MP2 position upon successful completion of Step 2, except during the operation of Article 64 or when there are surplus employees.

25.6 Vacation provisions that apply to M&P staff on Schedule 01 will also apply to trainees.

25.7 Articles contained in Part XI (Relocation Assistance) will apply to trainees when they are appointed to an ongoing M&P or FM&P job.

25.8 Eligibility for other benefits and allowances which apply to regular staff will be granted to regular and probationary trainees.

- 25.9 Shift compensation reference point rate for trainees will be step 3 of MP2.
- 25.10 Student employees will be paid at Steps 1 or 2 of the MP2 salary range.
- 25.11 Management may utilize Steps 1 and 2 for all employees covered by the collective agreement and not just for Professional Trainees.

26 PAYMENT OF FM&P EMPLOYEES

Employees in jobs rated under the Field Management and Professional Job Evaluation Plan will be paid in accordance with Schedule 02. The upper five grades of Schedule 02 will be equivalent to Schedule 01 (e.g. FMP16 = MP6) except prorated to reflect a base work week of 37.5 hours instead of 35 hours.

27 PAYMENT OF MANAGEMENT AND PROFESSIONAL (M&P) EMPLOYEES

Employees in jobs rated under the Plan A Job Evaluation Manual will be paid in accordance with Schedule 01.

28 PAYMENT OF TRADES MANAGEMENT SUPERVISORS (TMS)

Employees in jobs rated under the Trades Management Supervisors' Job Evaluation Manual will be paid in accordance with Schedule 03. Step 9 of TMS3 shall be equivalent to the Step 9 of MP2 (Schedule 1).

29 JOB EVALUATION PLANS

Job evaluation plans that are used to rate Society-represented jobs form part of this Collective Agreement. These plans are:

- Plan A (revised January, 1988), used to classify all M&P jobs;
- Plan A Job Evaluation Manual: - delete the phrase "Once exclusion from CUPE Local 1000 has been confirmed" on page 3; Section 10 "Plan A Point Ranges for Salary Grade" (p. 27) – amend to read "MP6 point range 314 and up" and delete note 5
- Field Management and Professional Job Evaluation Plan (revised July, 1988), used to classify all FM&P jobs;
- Trades Management Supervisors Job Evaluation Manual (April, 1986), used to classify all TMS jobs;
- TMS Job Evaluation Manual - delete criteria "(a) qualify for exclusion from union jurisdiction" on page 2.
- Hay Plan (July, 1990), used to classify all Nursing jobs.

30 TMS AGREEMENTS

Trades Management Supervisors/Trades Supervisors (TMS) shall receive payments calculated as follows:

- 30.1 Union Relief Rate (currently 17% or 22%, whichever is applicable in each situation) minus the actual pay differential between the TMS step 9 rate and the base rate of the highest trade group supervised, as per occupational definition, plus 3%.

$$JP \left(\text{URR} - \frac{\text{TMS} - \text{JP}}{\text{JP}} \times 100 + 3\% \right)$$

URR	=	Union Relief Rate (17% or 22% depending on situation)
JP	=	Highest Journeyperson Rate Supervised
TMS	=	Step 9 rate of Relevant TMS Position

An example of the payment would be: if the differential between the Union journeyperson and the TMS = 15%, then the payment would be 17% (appropriate relief rate) minus 15% plus 3% = 5%.

- 30.2 In addition, where a TMS is supervised by a TMS, the existing salary grade differential will be maintained (6.625% or 13.25%, whichever is applicable in each situation).
- 30.3 a) These payments will be based on PWU CUPE Local 1000 rates effective April 1 of each year and calculated on an annual basis. In addition, the payments will be prorated in situations where a person is promoted to a TMS position during the year.
- b) During the term of the Collective Agreement TMS's whose "base" salary (including any applicable relativity allowance) is less than the equivalent to the applicable URR will receive a "top up" allowance to bring their "base" salary (including any applicable relativity allowance) up to this equivalent level, as a minimum. This "top up" allowance will be treated in accordance with Section 30.4 and will not affect the employee's step placement. Calculations for these payments will be done annually in April 2003 and April 2004. The "top up" allowance calculated in April may be revised by subsequent step increases.
- 30.4 For the term of the collective agreement these payments will be paid on a weekly basis and treated like base salary with respect to overtime, pension and other wage-sensitive entitlements including any promotion increase. An employee's step placement will not be affected by this payment.
- 30.4.1 When a TMS position is temporarily given a higher TMS classification or a TMS relieves for a higher-rated TMS for a minimum of five consecutive days or ten cumulative days annually, and in these situations there is a relief rate rub per Sections 30.1 or 30.2, payments will be recalculated to reflect the rub point in the reclassified/relief position and paid on a pro-rated basis for these periods. Under no circumstances will the TMS's pay (base plus any applicable relativity allowance) decrease.

For the sake of clarity by the addition of the TMS Relativity payment formula to Attachment A, Article 7, it is intended that the amount of money available for any change to this formula will be the same as that provided to the applicable Business Unit under Article 30.1 and 30.2. Flexibility is given to negotiate a redistribution of this money to TMS's within the Business Unit. There is no flexibility to modify the amount of money in the "envelope" or to change other provisions in Article 30 e.g., payments must be treated like base pay. Any Business Unit agreement would be in accordance with Article 7 and also subject

to ratification by TMS's in the affected Business Unit. The default would be the formula in Article 30.

31 SALARY PROGRESSION PLAN

- 31.1 Effective October 1, 2007 the Performance Pay Plan (1978, revised 1987) is eliminated and replaced by a new salary progression plan as described in Section 31.2. For clarity, at the end of 2007 Hydro One will not make the minimum performance payout of 1.0% of base payroll for the performance year 2007.
- 31.2 A new salary progression plan will be implemented on October 1, 2007 that includes the following features:
- a. Three salary schedules will be created, recognizing 35-hour, 37.5-hour and 40-hour work weeks. The 35-hour schedule will replace Schedule 01, the 40-hour schedule will replace schedule 08 and the 37.5-hour schedule will replace schedule 02. Current prorating pay treatment for base hours as per Article 68 remains unchanged with the exception of those covered under LOU #5.
 - b. The current job evaluation plans will continue to apply.
 - c. Progression will be on an annual basis.
 - d. The MP1 salary band will be eliminated and MP2 through MP6 salary bands will remain.
 - e. Salary ranges for all salary bands shall be equivalent to current 70% - 100%.
 - f. Progression from 70% to 100% shall be as follows:
 - i. 70% to 80% in 5% steps
 - ii. 80% - 88% in 4% steps
 - iii. 88% to 100% in 3% steps
 - g. Schedule 04 is eliminated as it is incorporated into the initial steps of MP2. All new grads will be hired at either 70% or 75% of MP2. Article 25 will be amended and/or obsoleted as required.
 - h. Employees will automatically progress to the next step on their anniversary date of appointment to their position unless withheld by management (as per Article 19.4).
- 31.3 The transition to the new salary progression plan will be as follows:
- a. Effective October 1, 2007, all current employees will be mapped to the step nearest in the applicable salary band that is not less than their current pay.
 - b. All employees paid above the rate for the highest step in their salary band will be "green circled" i.e. will continue to be eligible to receive economic increases.

- c. October 1 will become the “anniversary date” for employees except as follows:
- i. For employees who are appointed to a different position or persons hired into Society-represented positions subsequent to the implementation date, their anniversary date will become the date of appointment to this new position.

32 PROMOTION-IN-PLACE PLANS

32.1 Definition

A “promotion-in-place plan” (PIP) means a developmental plan involving a hierarchy of related jobs, in which employees who meet defined criteria will be promoted without advertising, and where it is the normal expectation that employees will reach the end position.

32.2 Principles

32.2.1 The Society should be involved in the development and periodic review of PIPs.

32.2.2 Either the Society or Management may initiate discussions on PIP proposals.

32.3 Conditions

32.3.1 All new and revised PIPs must have the joint agreement of the parties. During the term of the Collective Agreement, a catalogue of existing PIPs will be developed and the parties will determine the schedule for their review upon request by either party.

32.3.2 Salary treatment upon promotion within PIP will be in accordance with Section 66.2.

32.3.3 Employment continuity treatment of employees with respect to PIPs will be in accordance with Clause 64.10.2.1.

32.3.4 Vacancies for PIP jobs will be advertised in accordance with Clause 65.6.1 (e).

32.3.5 All jobs in a PIP must be evaluated under the applicable job evaluation plan.

32.4 Standard Features

All PIPs must have the following features:

- based on a developmental plan to an end position;
- based on the expectation that normally employees in PIP jobs will reach the end position;
- a sunset clause;
- joint Society-Management agreement on promotion criteria consistent with the PIP;

- promotion within PIP based upon the employee meeting defined criteria (e.g., performance measures, experience, breadth of assignments). If an employee has met all of the criteria for a promotion, and the only item preventing the promotion is the individual's performance standing, then the promotion should be implemented;
- targeted to have sufficient staff in the higher level positions for unit viability;
- specification of the normal expected time period an employee should take to progress through the various stages of the PIP;
- provision for employees to have a reasonable opportunity to fulfill requirements to qualify for progression within the normal expected time frame.

33 TEMPORARY EMPLOYEES

Intent: Temporary employees are employees hired for short-term work assignments which are not ongoing and/or where there are no available qualified regular employees to perform the work. The impact on employment continuity should be an important consideration in the decision to hire temporary employees.

33.1 Society Notification

Hydro One will discuss the circumstances with the local Society representative prior to hiring a temporary employee. The Society will be informed of the job skill needs, the salary classification for the position, the expected job duties, and the duration of the assignment.

Should the employer wish to extend the initial assignment, the employer will notify the Society representative at least two (2) months before the end of the initial assignment. If the employer has not complied with this obligation, the employee will be terminated at ***the end of the initial assignment***. At 24 months, Hydro One will either terminate the employee, advertise the position if there is an ongoing staff requirement, or obtain the agreement of the Society for a further extension. If the position is advertised, and the temporary employee is not selected for the vacancy, the employee will be terminated.

Temporary employees will have their applications for vacancies considered in accordance with Clause 65.6.3.h with the following exception: the employer may, at its sole discretion, refuse to process and consider an application for a vacancy from a temporary employee up to but not including the last six months of the employee's temporary assignment. This discretion is not subject to the grievance-arbitration procedure. Notwithstanding the above, Hydro One may utilize a temporary employee for up to 36 months with the approval of the appropriate Society representative.

33.2 Temporary Employees with Less than 12 Months' Service

33.2.1 Compensation and Benefits Treatment

- i) Vacations: payment of the prorated amount of 15 days adjusted earnings or 4%, whichever is greater.

ii) Statutory Holidays

Temporary employees with less than three months' accumulated service shall be paid for those statutory holidays covered under the Employment Standards Act ("ESA"). For clarity, the public holidays covered by the ESA are: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas Day and Boxing Day. Payment for such statutory holidays will be the amount stipulated by the ESA (i.e. the total amount of regular wages earned and vacation pay payable to the employee in the four pay periods before the pay period in which the public holiday occurred, divided by 20; or if the employee works on the public holiday, the premium rate or a substitute day off will be provided as described in the ESA). In order to be entitled to public holiday pay, these employees must also meet the qualifying conditions of the ESA, namely the "Last and First Rule." As Easter Monday and the Civic Holiday are not ESA public holidays, they will not be paid as such. If the employee does not work, the day will be considered a day off without pay. If the employee does work, premium rates will not apply.

Temporary employees with more than 3 months' accumulated service shall be entitled to pay for all statutory holidays provided for under Article 41 of the Collective Agreement.

- iii) Floating Holidays: three floating holidays after 20 weeks' continuous service.
- iv) Sick Leave: credits for one-half day at 100% pay for each month of accumulated service.
- v) Semi-Private and EHB Plan: optional at employee's cost.
- vi) Remembrance Day; Personal Time Off; Parental Leave (excluding the SUB Plan); Jury Duty; Special Time Off at Christmas: same as regular employees.
- vii) Kilometre Rates: same as regular employees.
- viii) Personal Travel and Accident Benefits: same as regular employees.

33.2.2 Termination

When a temporary employee with less than 12 months' service is terminated for other than cause, he/she will receive at least two weeks' notice in writing.

33.3 Temporary Employees with More than 12 Months' Service

Temporary employees with more than 12 months' service are entitled to sick leave credits equal to eight days at 100% and 15 days at 75% per annum, performance appraisals and consideration for step progression and severance pay equal to two weeks' base salary per continuous year of service. All items in Section 33.2 above, except for 33.2.1 (iv), will also apply to these employees.

33.4 Temporary Employees Working Reduced Hours

Temporary employees who work reduced hours will have the items listed in Sections 33.2.1 and 33.2.2 prorated in accordance with the provisions outlined in Article 71 (Reduced Hours of Work).

33.5 Temporary Employees and Purchased Services

33.5.1 Management shall give serious consideration and where possible (e.g., cost effective and timely) give preference to the option of using temporary employees rather than using purchased services.

33.5.2 Where management deems it appropriate, Hydro One may pay temporary employees at rates higher than Society-represented salary schedules.

PART IX - ABSENCE FROM WORK

34 PAID/UNPAID TIME OFF

Intent: It is recognized that from time to time, an employee will be faced with situations that may require him/her to be absent from his/her work. Such time will be either with or without pay, or a combination of both, and will be granted where there is an entitlement under this Agreement, a clear legal or statutory requirement, or where, in the supervisor's judgment, such time off is warranted by specific circumstances. It is further recognized that it is the employee's responsibility to balance his/her need for a leave of absence with the work requirements of his/her unit.

Where the granting of the absence is discretionary, considerations would include: factors beyond an employee's control that prevent him/her from attending work; severity or nature of circumstance; workload of the unit.

The exact amount of time off is at the discretion of Management; however, the entitlements of employees in specific circumstances include those described below.

34.1 Jury Duty/Required Attendance at Court

For the duration of the Jury Duty, or required attendance at an Inquest or court (subpoenaed witness), the employee's normal base earnings and benefits will be maintained. The employee is responsible for informing his/her supervisor as to the probable duration of the jury duty.

34.2 Funeral Leave

a) Provincially Regulated Employees

In the event of the death of a family member, including parent, parent-in-law, brother, brother-in-law, sister, sister-in-law, husband, wife, son, son-in-law, daughter, daughter-in-law, grandparents, grandparents-in-law, and grandchildren, an employee may be granted leave of absence with pay. The supervisor will take into consideration the relationship of the deceased, the distance that the employee has to travel, and the need for the employee to attend to arrangements when deciding how much time is to be granted. Usually a period of up to three days is an adequate amount of time. In the event of the death of a fellow employee, time off with pay may be granted to attend the funeral.

b) Federally Regulated Employees

i) An employee will be granted leave of absence on any of his/her normal working days during the three days immediately following the death of a member of his/her "immediate" family. Base earnings will be maintained for employees who have completed at least 3 consecutive months of continuous service.

"Immediate" family shall be as defined in the Canada Labour Code: spouse, including common-law; father and mother of employee; spouse of father and mother, including common-law; children; brothers and sisters; father-in-law; mother-in-law; spouse of father-in-law and of mother-in-law, including

common law and relative of employee who resides permanently in the employee's household or with whom the employee resides.

- ii) An employee may be granted leave of absence with pay of up to 3 days in the event of the death of the following family members: brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparents, grandparents-in-law, and grandchildren.
- iii) In the event of the death of a fellow employee, time off with pay may be granted to attend the funeral.

34.3 Medical and Dental Appointments

An employee may attend a medical consultation, receive dental treatment or be absent because of sickness for less than one-half day without reduction of sick leave credits and/or pay.

34.4 Family Care

An employee is entitled to take time off for family care. Normally, up to five (5) days a year may be taken for this purpose. By mutual agreement with his/her supervisor, the employee may pay for this time by using his/her banked overtime, by working back the time over a reasonable period of time, or by taking the time off without pay.

34.5 Reserve Forces

Regular employees who are members of Reserve Forces of the Canadian Armed Forces may be granted leave of absence to attend annual training (normally two weeks in duration). If such leave is granted, Hydro One will maintain the employee's health and dental benefits and will pay the employee the difference between the gross amount of pay received from the Armed Forces and his/her normal base earnings for this period.

34.6 World Class Sport Events

Employees may be granted leave to participate in world class sports events as athletes or coaches or as officials and administrators. If such leave is granted, for each day of vacation that the employee uses for participation in such an event, Hydro One will provide two days leave of absence with pay up to a maximum of two weeks.

34.7 Remembrance Day

Employees who can verify that they have served in the Canadian Armed Forces, and those in the Reserve components of the Canadian Armed Forces, who have served in a foreign country, will be eligible for time off with pay or payment if required to work on Remembrance Day.

35 SHORT-TERM ABSENCES

Payment for short-term absences (e.g., vacation, sick leave) will be based on the normal rate paid for scheduled job hours, except as stated elsewhere in this Agreement.

36 EDUCATION LEAVE

36.1 Definitions

“Educational Leave” shall mean an approved absence from work during which an employee engages in planned learning activities that provide him/her with skills that are expected to result in benefits to Hydro One.

“Reimbursable Costs” shall mean expenses incurred by the employee in the course of engaging in the planned learning activity and include registration, tuition and examination fees as well as textbooks/discs and applicable taxes. They may also include reasonable, incremental meal, accommodation and travel expenses.

“Financial assistance” shall mean an employee’s base salary, health and dental benefits and reimbursable costs.

36.2 Approvals

Hydro One will grant an employee’s application for an educational leave where Hydro One determines that the leave will benefit the business and the employee’s absence may be accommodated without adversely impacting the viability of his/her work unit.

36.3 Terms and Conditions During Leave

36.3.1 The duration of educational leaves will normally be for a period of up to one academic year.

36.3.2 If management determines that the needs of the business would best be served by an employee taking an educational leave, then Hydro One will maintain the employee’s full salary, health and dental benefits and reimburse his/her costs.

36.3.3 For other educational leaves, management will reasonably determine the level of financial assistance that the company will provide to the employee during the leave based on the expected resulting benefit to the business.

36.3.4 Where management continues to pay all or a portion of an employee’s base salary during an educational leave, it shall also maintain health and dental benefit coverage for the employee for this period.

36.3.5 Where Hydro One requires an employee to take an educational leave, the company will pay the employee’s full salary, health and dental benefits and reimbursable costs, including all reasonable incremental expenses (e.g., travel, accommodation, meals).

36.3.6 Where Hydro One requires an employee on leave to return to work prior to the expiry of the approved leave, the company will assume all expenses incurred as a result of this action.

36.3.7 As a condition of granting a leave application by an employee, Hydro One may require a participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed four times the duration of the leave times the percentage of base salary paid by Hydro One

during the leave. Where Hydro One requires an employee to take an educational leave, there will be no period of stipulated continued employment.

36.4 Treatment of Employee on Return from Leave

- 36.4.1 Upon completion of the leave, where the employee's pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.
- 36.4.2 Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.
- 36.4.3 In the event Article 64 is triggered during or upon completion of the leave, the employee will be redeployed in accordance with that Article.
- 36.4.4 Upon completion of an educational leave without pay, an employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service.

37 SELF FUNDED SABBATICALS

37.1 Definition

"Self-funded sabbaticals" means an approved arrangement where an employee works regularly scheduled hours while receiving eighty percent (80%) of his/her base salary for each of four years. In the fifth year, the employee is granted a leave of absence for one year, funded by the accumulated deferred pay.

37.2 Approvals

Hydro One will approve an employee's application for a self-funded sabbatical where it determines that this arrangement will benefit the business and can be accommodated without adversely impacting the viability of his/her work unit.

37.3 Terms and Conditions of Self-funded Sabbaticals

- 37.3.1 The salary holdback (i.e., twenty percent for four years) will be kept in a special account and interest will be paid annually at an appropriate rate fixed by Hydro One.
- 37.3.2 During the leave of absence (i.e., the fifth year):
- The employee may not be declared surplus.
 - The employee is responsible for his/her health and dental benefits and shall be given option of continuing coverage under the Hydro One plan through pre-payment.
 - The employee's entitlement to group life, living benefit and spousal life insurance benefits shall continue pursuant to Article 21.

- Hydro One shall pay the sum accumulated in the trust to the participating employee in a lump sum or in regular instalments.

37.3.3 As a condition of approving a self-funded sabbatical arrangement, Hydro One may require the participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed the length of the leave (i.e., maximum one year).

37.4 Treatment of Employee Upon Return from Leave

37.4.1 Upon completion of the leave the employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full (i.e., 100%) base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service, as the case may be.

37.4.2 Upon completion of the leave, where the employee's pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.

37.4.3 Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.

37.4.4 In the event Article 64 is triggered during or upon completion of the leave, subject to the other provisions in this Article, the participating employee will be redeployed in accordance with that Article.

38 EMPLOYEES HIRED AS SOCIETY STAFF

At the request of the Society, a leave of absence may be granted to an employee who is offered a Society staff position. During this period the Society will assume:

- Cost of salary;
- Hydro One's cost of contributions to the Pension Plan, the Group Life Insurance Plan and the LTD Plan.
- The responsibility and cost of providing Health, Dental and Sick Leave Insurance/coverage;
- The responsibility for any other employee contributions related to employee wages and benefits provided by the Society.
- At the end of the leave of absence, Hydro One is obligated to relocate the employee within Hydro One at a salary classification as close as possible to the position held at the time the leave of absence was granted. An employee on leave will be neither advantaged nor disadvantaged in a surplus situation.

39 RELEASE OF SOCIETY REPRESENTATIVES

39.1 Intent

Hydro One will grant elected Society representatives reasonable paid time off from normal duties for purposes of involvement in joint processes and business related to Society/Management relations under this Agreement.

Hydro One recognizes and appreciates the dual responsibility employees elected to hold Society office have to their job and to Society members. Society representatives and their supervisors (those excluded from the Society) are encouraged to pursue a mutually acceptable and cooperative approach to managing the requirement for absences as a result of this dual role. Management recognizes that the need for time off from normal duties will vary with the position that the employee holds within the Society. The higher up in the Society the more will be the demands for time off.

39.2 Specific Circumstances

39.2.1 Absence from work due to the Society representative's involvement in joint processes, tripartite processes or with respect to other business related to Society/Management relations under this Agreement, should not negatively impact on his/her performance appraisal.

39.2.2 In the expectation that the joint problem solving approach based on the principles outlined in the former Article 1.2 will be mutually beneficial to the relationship between Hydro One and the Society, Management agrees to continue its practice of maintaining base salaries for Society representatives involved in all joint processes up to but not including arbitration unless required by Management to attend.

39.2.3 Society Delegates and members of the Board of Directors will be permitted two (2) days per year at their normal base rates to attend Delegates' Council meetings. Members of the Board of Directors will be permitted up to 12 additional days per calendar year at their normal base rates, to attend Society Board meetings.

39.2.4 Hydro One will release elected Society representatives from their normal duties without pay for other Society business. The Society will give Management reasonable notice of such releases, and Management will normally release such representatives. From time to time there may be unexpected events that prevent such a release, but such situations will be the exception.

39.2.5 Hydro One shall contribute towards the salaries of the Society Executive who are employees of Hydro One. The Society Executive for this purpose shall include the President, EVP/VP. Members of the Society Executive shall remain on the payroll of Hydro One, and Hydro One shall bill the Society for the cost of salary and benefits of such persons except for an amount equal to the salary of 0.5 FTE (@ Step 9 MP6). It is understood that the salary paid to the members of the Society Executive, who are employees of Hydro One, shall be the salary specified in writing by the Society.

39.3 Treatment During Release and on Return to Work

When an employee is released from his/her regular position to serve as a Society representative he/she will retain his/her pre-release position subject to the applicable provisions of the Collective Agreement. On return to work, the employee is entitled to such reasonable training or re-skilling required to return to normal duties as is feasible.

40 VACATIONS

40.1 Vacation Entitlement

The combination of Vacation Commencement (VCD) plus External Experience Value (EEV) determines service for vacation entitlement for the purpose of this Article.

40.2 Less Than One Year of Service by June 30

One and one-half (1-1/2) days' vacation for each full month of service completed between June 30 of the previous year and July 1 of the current year to a maximum of three (3) weeks (15 working days).

40.3 One to Seven Years of Service

Fifteen (15) working days (three weeks) annually when an employee has completed from one (1) to seven (7) years of service by the end of the calendar year.

40.4 From Eight to Fifteen Years of Service

Twenty (20) working days (four weeks) annually when an employee has completed from eight (8) to fifteen (15) years of service by the end of the calendar year.

40.5 For Sixteen to Twenty-Four Years of Service

Twenty-five (25) working days (five weeks) annually when an employee has completed sixteen (16) years to twenty-four (24) years of service by the end of the calendar year.

40.6 For Twenty-Five or More Years of Service

Thirty (30) working days (six weeks) annually in the calendar year in which an employee completes twenty-five (25) years of service and in each succeeding year.

40.7 External Experience Credit

(Applicable to 4, 5, and 6 Weeks' Vacation Entitlement)

40.7.1 Appointments to Positions Paid from Salary Schedules 01, 02, 03,

Employees who were or are hired directly into, or within one year of their ECD were or are appointed to a Society-represented position and paid from Salary Schedules 01, 02, 03, 05, 06, 07, 08, 09, 13, will receive the following vacation credits for external experience, applicable to four, five, and six weeks' vacation entitlement. Credits are based upon the highest salary grade attained within one year of hiring and are translated into an External Experience Value (EEV).

The effective date of External Experience Credit entitlements will be as follows:

Salary Schedules 01, 02
Salary Schedules 03,

April 1, 1956
January 1, 1992

Salary Grade Hired Into	Vacation Credit
MP1/FMP11/TMS1-2/TS1-6/ OSS1-8/SCT3 ⁵	1 year
MP2/MF22/FMP12/TMS3/ TS7-8/OSS9/SCO1 ⁶	2 years
MP3/MF23/FMP13/TMS4/SEI1/ TS9-10/OSS10/SCO2	3 years
MP4/FMP14/TMS5/SEI2/OSS11/ SCO3	4 years
MP5/FMP15/OSS12/SCO4	5 years
MP6/FMP16/HO1	6 years

40.7.2 Appointments to Positions Covered by Article 25

An employee hired on or after December 31, 1981 to a position covered by Article 25 will receive one year's vacation credit⁵.

40.8 Vacation Credit for Prior Service

Employees will be entitled to vacation credits for all prior service with Hydro One, including casual employment, regardless of breaks in service (see Section 9.3 Transition Provisions).

40.9 Vacation Without Pay

Up to one week off without pay may be taken by employees for vacation purposes.

40.10 Use of Vacation Credits of Succeeding Year at Christmas

For purposes of taking time off at Christmas (December 15 to December 31) employees will be permitted to utilize earned vacation credits for the succeeding year.

40.11 Banked Vacation

Effective January 1, 1993, upon eligibility for 25 working days (five weeks) of annual vacation, employees may defer and accumulate any vacation entitlement beyond 15 days per year. A maximum of 30 weeks' vacation may be banked. Banked vacation may be taken at a later date, subject to the supervisor's approval, or may be taken as a cash payment upon retirement.

40.12 Vacation Bonus

Employees shall receive one day's base pay (or adjusted earnings) for each year of service beyond twenty-five (25) years, to a maximum of ten (10) days' pay. On retirement or termination, vacation bonus payout will be prorated based on the employee's VCD.

⁵ Relevant work experience of one year or more is required to receive this credit.

⁶ Relevant work experience of two years or more is required to receive this credit.

40.13 Vacation Entitlement on Retirement/Termination

40.13.1 Retirement

A retiring employee may take part/all of earned vacation for the year in which he/she retires, plus authorized carryover from previous years and banked vacation, or receive cash payment in lieu, plus any vacation bonus.

40.14 Vacation Pay on Retirement/Termination is as follows:

- a) If an employee terminates between July 1, and December 31, he/she receives the following:
 - i) pay for any unused vacation days earned up to June 30, and not taken during the current calendar year; plus
 - ii) 4% of accumulated earnings from July 1, to the date of termination, or the appropriate percentage (determined by vacation entitlement) of base earnings from July 1, to the date of termination; whichever is greater.
- b) If an employee terminates between January 1, and June 30, he/she receives the following:
 - i) 4% accumulated earnings from July 1, to date of termination, *or* the appropriate percentage (determined by vacation entitlement) of base earnings from July 1, to the date of termination; whichever is greater; *minus*
 - ii) vacation taken in the current calendar year.

"Base earnings" in this Section refers to base pensionable earnings for normal scheduled hours of work.

"Accumulated earnings" in this Section refers to base earnings, plus overtime pay, shift allowances, etc.

The appropriate percentages determined by vacation entitlement are as follows:

- 4% of accumulated wages if entitlement is 10 working days or less annually;
- 6% of base earnings or adjusted earnings to date if entitlement is 15 working days annually;
- 8% of base earnings or adjusted earnings to date if entitlement is 20 working days annually;
- 10% of base earnings or adjusted earnings to date if entitlement is 25 working days annually plus any vacation bonus;
- 12% of base earnings or adjusted earnings to date if entitlement is 30 working days annually plus any vacation bonus.

If the reason for termination is the death of an employee, the payment will be made to the estate or beneficiary.

For calculation purposes, the termination date is the employee's last day of work. The employee is removed from payroll on this date.

In cases where the termination is due to causes other than death, the termination date must not be extended to permit use of outstanding vacation credits or lieu days which are paid for in cash on termination.

40.15 Deferment or Interruption of Vacations

40.15.1 Reimbursement will be made for out-of-pocket expenses incurred by an employee who, at the request of Hydro One, either defers an approved vacation or returns before the vacation has expired.

40.15.2 When an employee is called back from vacation or when an employee's vacation is cancelled at the request of Hydro One, the employee shall receive premium rates of pay for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days.

40.15.3 Deferred or interrupted vacation days will be rescheduled at a later date.

40.16 Vacation Carry-Over

40.16.1 Where it is mutually agreeable, the employee may carry-over a maximum of one week's vacation to the following year (to be taken by **April 30th** of that following year). Request for carry-over must be made prior to September 1.

40.16.2 *Employees who are unable to use their vacation credits within the entitlement period due to a medical absence (and who do not transition to LTD) will have their vacation credits carried forward and available to them upon return to active employment.*

41 STATUTORY HOLIDAYS AND FLOATING HOLIDAYS

For federally regulated employees, the parties agree that Article 41 meets the requirements of Part III, Division V, General Holidays of the Canada Labour Code and that the Civic Holiday is substituted for November 11 (Remembrance Day).

41.1 The following days are recognized by Hydro One as Statutory Holidays:

New Year's Day	Christmas Day	Good Friday
Boxing Day	Victoria Day	Labour Day
Canada Day	Thanksgiving Day	Civic Holiday
Easter Monday	Family Day	

If a Statutory Holiday falls on a day when an employee is off on sick leave, pay is not charged against sick leave credits for that day. A Statutory Holiday falling within an employee's vacation period is not counted as part of the vacation, but is taken as an extra day of holiday.

Payment for statutory holidays will be on the basis of straight time for the normal hours of work per day.

41.1.1 When Canada Day falls on a Saturday or Sunday, it shall be observed on the following Monday.

41.1.2 When Christmas falls on a Friday and Boxing Day on Saturday, a half holiday will be granted on the preceding Thursday. The days of observance will not be moved.

When Christmas falls on a Saturday and Boxing Day on a Sunday, a half holiday will be granted on the preceding Friday. Christmas will be observed on Saturday. Boxing day will be observed on Monday.

If Christmas Day falls on a Sunday, it shall be observed on Monday and Boxing Day on Tuesday.

When Christmas Day falls on a Tuesday, Boxing Day shall be observed on Monday.

When Christmas falls on a Wednesday and Boxing Day falls on Thursday, the Friday following Boxing Day will be granted as an additional holiday. The days of observance will not be moved.

41.1.3 When New Year's Day falls on a Saturday, an additional holiday shall be granted on either the preceding Friday, or the following Monday. The day of observance will not be moved.

When New Year's day falls on a Sunday, it shall be observed on Monday.

41.1.4 Hlday Shutdown

Hydro One may authorize a shutdown over the Christmas - New Year period. In order to encourage employees to voluntarily take this time off, employees will be allowed to use up earned vacation from the following calendar year in order to cover the shutdown period.

41.2 Floating Holidays

Employees who have completed 20 weeks of continuous service in any calendar year are entitled to three floating holidays. Such days will be taken on dates mutually agreeable to the employee and the supervisor. Floating holidays must be taken in the year they are earned (i.e. there is no carryover for floating holidays).

If an employee terminates after completing 20 weeks of continuous service in a calendar year, Hydro One will make a cash payment in lieu of any unused floating holiday credits.

If an employee terminates prior to the completion of 20 weeks of continuous service in a calendar year, entitlement is as follows:

- An employee not entitled to floating holidays in the previous calendar year is not entitled to floating holidays in the current calendar year. If an employee has been granted a floating holiday(s), Hydro One will recover one day's pay for each floating holiday taken.

- For an employee entitled to floating holidays in the previous calendar year, entitlement will be prorated based on the number of weeks of continuous service in the year of termination. Hydro One will either make a cash payment for any unused floating holiday credit or recover the value of any unearned portion taken.

42 EMPLOYMENT INSURANCE COMMISSION REBATE

The value of any Employment Insurance Commission (EI) rebate shall accrue to Hydro One.

43 PREGNANCY/PARENTAL LEAVE

Definitions

Pregnancy leave means a leave of absence of up to 17 weeks for a pregnant employee who has been employed by Hydro One for at least 13 weeks immediately preceding the expected birth date. Unless provided for in this Article, this leave is without pay.

Parental leave means a leave of absence for an employee who has been employed by Hydro One for at least 13 weeks and who is the parent of a child. This employee is entitled to a leave of absence following the birth of the child, or the coming of the child into the custody, care and control of the parent for the first time. Unless provided for in this Article, this leave is without pay.

For an employee who takes pregnancy leave, the leave of absence is for a period of up to 35 weeks. For an employee who does not take pregnancy leave, the leave of absence is for a period of up to 37 weeks.

43.1 Pregnancy Leave

- a) Start Date: Pregnancy leave may begin at any time during the 17 weeks immediately preceding the expected date of delivery.
- b) End Date: Pregnancy leave normally ends 17 weeks after the pregnancy leave began.
- c) Notice: The employee must give Hydro One as much notice as possible and a certificate from a legally-qualified medical practitioner stating the expected birth date. In no case, however, will the employee provide less than two weeks' written notice of the day the leave is to begin.
- d) Reinstatement: At the end of pregnancy leave, the employee will be eligible to return to the position the employee had prior to the leave, if it still exists, or to a comparable position, if it does not.
- e) Benefits: Hydro One will continue to pay Hydro One portion of the contributions for Group Dental, Extended Health Benefits, Pension Plan, Life Insurance, and any other type of benefit plan related to the employee's employment as prescribed by the *Employment Standards Act* for provincially regulated employees, and the *Canada Labour Code* for federally regulated employees, for the duration of the pregnancy leave, unless the employee gives Hydro One written notice that the employee does not intend to pay the employee portion of the contributions, if any.
- f) Service Credits: Employees on pregnancy leave shall be entitled to normal accumulation of service credits for the duration of the pregnancy leave.

- g) A pregnant employee may continue to work during a normal pregnancy until such time as the duties of her position cannot be reasonably performed.
- h) An employee on pregnancy leave does not qualify for sick leave.

43.2 Parental Leave

- a) Start Date: The parental leave must begin no later than 52 weeks after the day the child is born or comes into the custody, care and control of the parent for the first time for provincially or federally regulated employees.

The parental leave of an employee who takes a pregnancy leave must begin when the pregnancy leave ends unless the child has not yet come into the care and control of the parent for the first time.

- b) End Date: Parental leave normally ends 35 weeks after the parental leave began for an employee who also took pregnancy leave or 37 weeks for an employee who did not take pregnancy leave.
- c) Notice: The employee must give Hydro One as much notice as possible but in no case will there be less than two weeks' written notice of the date the leave is to begin.
- d) Reinstatement: At the end of parental leave, the employee will be eligible to return to the position the employee had prior to the leave, if it still exists, or to a comparable position, if it does not.
- e) Benefits: Hydro One will continue to pay the employer portion of the contributions for Group Dental, Extended Health Benefits, Pension Plan, Life Insurance, and any other type of benefit plan related to the employee's employment as prescribed by the Employment Standards Act for provincially regulated employees, and the Canada Labour Code for federally regulated employees, for the duration of the parental leave, unless the employee gives Hydro One written notice that the employee does not intend to pay the employee portion of the contributions, if any.
- f) Service Credits: Employees on parental leave shall be entitled to normal accumulation of service credits for the duration of the parental leave.
- g) An employee on parental leave does not qualify for sick leave.

43.3 Benefits Under the Supplementary Unemployment Benefit (SUB) Plan

- a) In order to be paid a leave benefit in accordance with the SUB Plan, the employee:
 - i) must provide Hydro One with proof that she/he has applied for, and is eligible to receive unemployment insurance benefits pursuant to the *Employment Insurance Act* (EI); *and*,
 - ii) must be regular and employed by Hydro One for at least 13 weeks immediately preceding the date of delivery/adoption; *and*,
 - iii) must (a) be on pregnancy leave, *or* (b) be on parental leave.

- b) According to the SUB Plan, payments will consist of the following:
 - i) for the first two (2) weeks, payments equivalent to ninety-three percent (93%) of the employee's base pay (pregnancy leaves only, not parental leaves); and
 - ii) when receiving EI benefits, payments equivalent to the difference between the EI benefits and ninety-three percent (93%) of the employee's base pay. See attached chart for duration of this "top up".
 - iii) where an employee becomes eligible for an annual increment/salary schedule adjustment during the period of pregnancy/parental leave, payments under 43.3(b)(i), 43.3(b)(ii) and 43.3 (b)(iii) shall be adjusted accordingly.
- c) An employee who qualifies under Section 43.3(a) shall sign an agreement with Hydro One providing:
 - i) that she/he will return to work and remain in Hydro One's employ for a period of six (6) months from the date of return to work;
 - ii) that she/he will return to work on the date of the expiry of pregnancy/parental leave, unless this date is modified with Hydro One's consent or unless the employee is then entitled to a leave extension provided for in this Article;
 - iii) that should the employee fail to return to work as per the provisions of Subsections 43.3(c)(i) and 43.3(c)(ii), the employee recognizes that she/he is indebted to Hydro One for the amount received under the SUB plan.

PREGNANCY/PARENTAL LEAVES - TIME LINES

PROVINCIAL

(Only maximum entitlements available are shown)

Birth Mothers:

Pregnancy Leave

2 wks 93%	15 wks EI SUB=93%
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Plus Parental Leave as outlined below.

All Parents who are Entitled to Parental Leave and EI Benefits in accordance with Employment Standards Act

Parental Leave if EI Eligible

2 week waiting period (if required)* Unpaid	3 weeks EI + SUB = 93%	Maximum 32 weeks EI
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- Duration of Parental Leave is maximum 35 weeks if the employee has preceded their Parental Leave with Pregnancy Leave. Otherwise, maximum is 37 weeks.

* Note: A waiting period is not always required. Should parents choose to share parental benefits, the parent filing the second claim will not be required to serve a two-week waiting period. There will be one waiting period per birth or adoption.

All Parents who are entitled to Parental Leave in accordance with Employment Standards Act but who are ineligible for EI Benefits

Parental Leave if ineligible for EI

Maximum 35 weeks
Unpaid

44 SICK LEAVE PLAN

It is recognized that the provisions of the Sick Leave Plan are not an automatic right of an employee and that administration of this Plan and all decisions regarding the appropriateness or degree of its application shall be vested solely in the Company.

- 44.1 The Sick Leave Plan provides for maintenance of an employee's income when he/she is absent from work due to illness or non-occupational injury.
- 44.2 Employees are granted 23 days of sick leave a year - eight (8) days at full pay and 15 days at three-quarter pay. These grants accumulate continuously each year if not used, up to a maximum of 200 days at three-quarter pay and no limit to the number of days at full pay. ***If an employee's ECD is between January 1st and June 30th, the date that he/she accumulates sick leave credits ("accumulation date") will be the first pay period of January. If an employee's ECD is between July 1st and December 31st, his/her accumulation date is the first pay period of July.***
- 44.3 (This Section applies only to employees hired before January 1, 2002. It does not apply to employees hired on or after this date). In the year in which an employee completes six years of service, all sick leave used in the first year of service will be restored. In the 7th year of service, all sick leave used in the 2nd year of service will be restored. This will continue until the employee has completed 15 years of service. In the 16th year of service, all sick leave used in the 11th through to the 15th years of service will be restored. In every year after 16 years of service, sick leave credits will be restored at the end of the year following the year in which they were used. There will be no payout of unused sick leave credits when an employee leaves the service of Hydro One. ***The date that an employee's sick leave credits are restored ("restoration date") will be the same as his/her accumulation date.***
- 44.4 An employee will be reimbursed for any doctor's note required by Hydro One.
- 44.5 The following provisions apply only to employees hired on or after January 1, 2002. They do not apply to employees hired before this date.
- 44.5.1 When employees have exhausted their sick leave credits and are on sick leave, they will be paid at 75% of their base rate for a period of up to 6 months or until approved for Long Term Disability (LTD), whichever comes first.
- 44.5.2 Employees who are on continuous sick leave for 6 months and who qualify must go on LTD.
- 44.5.3 In the event of denial of LTD benefits, employees will have their wages maintained at 75% of their base rate until completion of their LTD appeal, for a period not to exceed 2 months, ***subject to Subsection 45.5.5.***

45 LONG TERM DISABILITY

The Long Term Disability (LTD) Plan provides financial security and rehabilitative employment features to regular employees during their absence from work due to extended sickness or injury. The benefits and terms and conditions of benefit entitlement of the Long Term Disability Plan are as described in: the Collective Agreement and the brochure entitled "Sick Leave and Long term Disability Plans, updated May 31, 2000". These documents, by reference, form part

of the Collective Agreement. The benefits and terms and conditions of benefit entitlement as described in the above documents can be changed by mutual consent only.

45.1 Qualifying Period

Subject to Section 44.5, the qualifying period is defined as the period six calendar months from the starting date of the employee's continuous absence due to disability; or a total of six months in accumulative authorized medical absences in the year prior to the date sick leave expires due to the same progressively deteriorating disability; or the expiration of sick leave whichever is longer.

45.2 Disability Period

The period in which an employee cannot continuously perform the essential duties of any position available in accordance with the priority placement criteria of the Rehabilitation and Re-employment Procedure.

45.3 Benefits

During the disability period, the plan will provide an income equal to the lesser of:

Sixty-five percent (65%) of base earnings at the end of the qualifying period for LTD benefits, or

Seventy-five percent (75%) of base earnings at the end of the qualifying period for LTD benefits less any pension entitlement and/or any supplement from the WSIB (excluding the Non-Economic Loss award) and or the Canada Pension Plan, excluding benefits for dependents.

A person who runs out of sick leave credits during the qualifying period will be granted a leave of absence without pay until such time as the LTD qualifying period elapses. The employee will continue to receive service credit during this period and have coverage maintained in, but will not be required to contribute to, the Hydro One Pension Plan, Health and Dental benefits, and the Group Life Insurance Plan.

45.4 Other Conditions

45.4.1 Hydro One and/or the insurance carrier reserve the right to periodically obtain necessary proof of continued disability. If at any time an individual who has been declared disabled and placed on LTD is capable of returning to any further service with Hydro One, Hydro One will request and the Society will normally grant a waiver of posting requirements except in the case of redeployment under Employment Continuity.

45.4.2 Employees who are in receipt of LTD benefits will have their LTD benefit levels adjusted by the indexation increase which is applied to Hydro One's Pension Plan.

45.4.3 Where a position is identified that both Hydro One and the employee on LTD agree he/she can become qualified for through educational retraining, Hydro One will pay tuition fees associated with the retraining, up to a maximum of three years.

- 45.4.4 Employees on LTD must apply for CPP disability benefits after an appropriate period (6 months) unless there are compelling (e.g., medical) reasons that prevent the employee from doing so.
- 45.4.5 ***The employer will notify the Society Hydro One Local Vice-President (or his/her designate) of any employees who are recommended or approved/declined for LTD benefits.***
- 45.4.6 ***The employer will provide an employee whom it has recommended for LTD benefits the documentation necessary to make an LTD application within 4 weeks of making this recommendation.***
- 45.4.7 ***Upon receipt of the memorandum from the employer that he/she has been recommended for LTD benefits, an employee's entitlement to accumulate and, where applicable, restore sick leave credits will cease on the day following the next accumulation date provided that this date falls within the qualifying period.***
- 45.4.8 ***The employer will grant sick leave credits of 8 days at 100% and 15 days at 75% to employees immediately following their return to active employment from LTD or rehabilitative employment while in receipt of LTD benefits ("LTD rehab"). Where applicable, restoration and accumulation (subject to 44.3 and 44.5) of sick leave credits of sick leave credits will be based on the employee's total service credit. Employees in receipt of LTD Benefits (including rehabilitative employment while on LTD, or "LTD Rehab") are not entitled to accumulate, or where applicable restore, sick leave credits.***
- 45.4.9 ***Any outstanding current year's vacation entitlement for an employee going on LTD will be paid out upon expiry of their sick leave credits. The payment will be calculated on the base earnings at the expiry of sick leave for the prorated days of vacation entitlement, any outstanding lieu days, any outstanding floating or statutory holidays, and banked time for 40 hour per week employees. No vacation entitlement, floating holidays or banked time for 40 hour per week employees accrues while the employee is in receipt of full LTD benefits (subject to 47.6.6).***
- 45.5 **Joint Working Committee**
- 45.5.1 ***The parties shall establish a Joint Working Committee (JWC) to address and attempt to resolve sick leave and/or LTD issues.***
- 45.5.2 ***The JWC shall meet quarterly or as required and will have the broad discretion to consider a variety of remedies to resolve issues within the confines of the Collective Agreement.***
- 45.5.3 ***Exceptional cases (e.g. LTD recommended employees who do not transition to LTD, employees who have returned to active employments from a medical absence who have not had their LTD recommendations lifted, employees whose LTD applications have been declined) will be referred to the JWC for further discussion. This referral does not preclude further settlement efforts at the local level. Local settlements will be sent***

to the JWC for review. In the event that the parties are unable to reach agreement, either party may refer the matter to expedited arbitration.

- 45.5.4** ***The employer will advance sick leave credits (8 days at 100% and 15 days at 75%) to employees whose cases have been referred to the JWC while the matter is being reviewed by the Committee or until resolved at arbitration. The employee's sick leave credits will be adjusted to account for this advance when he/she resumes his/her normal accumulation and, where applicable, restoration.***
- 45.5.5** ***In the event that the LTD denial appeal process outlined in article 44.5.3 exceeds 2 months, the Society Hydro One Local Vice-President and the Hydro One Director of Labour Relations may agree to extend the timeframe during which employees may continue to have their wages maintained at 75% of their base rate.***
- 45.5.6** ***In the event that the parties are unable to reach agreement on any issue referred to the JWC, either party may refer this matter to expedited arbitration.***

46 WORKERS' COMPENSATION LEAVE

An employee awarded a Workers' Compensation grant shall be granted a compensable disability leave with compensation made up of a tax-free Workplace Safety and Insurance Board award, and a taxable top-up grant for the duration of Workers' Compensation Disability benefits. The top-up grant will ensure an employee's net pay is maintained.

If the employee is awarded a Loss of Earnings (LOE) award and is unable to perform the essential duties of any available job, the leave and top-up grant will be extended for the first 24 months of the LOE award. If an employee is unable to return to work during the first two years of a LOE award, an application for LTD should be submitted. The qualifying period is waived in these cases, and LTD benefits will be payable at the expiry of the first LOE for a qualifying employee.

Pending a decision of the Workplace Safety and Insurance Board regarding the legitimacy of a claim the employee will receive sick leave. Employees who are receiving Workers' Compensation benefits for claims or injuries suffered while in the employ of an Employer other than Hydro One are required to notify Hydro One of being in receipt of those benefits in order to qualify for the top up grant. These employees will not be eligible for sick leave while receiving Workers' Compensation benefits for the top-up grant.

The top-up grant for compensable disability leave will be withheld if the employee refuses a medically suitable position that she/he is capable of performing, pursuant to the provisions of Article 47 ("Rehabilitation and Re-Employment") of the Collective Agreement. The grant may also be withheld where an employee is subject to appropriate discipline or discharge for cause pursuant to Article 17 ("Discipline and Discharge").

Authority for withholding the supplementary grant is vested in Directors.

47 REHABILITATION AND RE-EMPLOYMENT

47.1 Application

This Article applies to Hydro One employees (“eligible employees”) who:

- Qualify for Long Term Disability (LTD) Plan benefits; and/or
- Have been approved for a Workplace Safety and Insurance Board (WSIB) award; and/or
- Are regular employees who have medical disabilities that prevent them from performing the essential duties of their jobs. These employees are referred to as medically-restricted-at-work (MRAW).

47.2 Definitions

“Medical rehabilitation” shall mean medical support services to facilitate speedy and maximum recuperation prior to or during rehabilitative employment, including physical, psychological or emotional assessments, therapy, treatment and conditioning.

“Vocational Rehabilitation” shall mean support services to facilitate re-employment, including assessment of transferable occupational skills/aptitudes, identification of specific job accommodation and associated training requirements and formulation of rehabilitative employment plans and counselling.

“Rehabilitative employment” shall mean temporary work assigned to a recovering or recovered employee with an ultimate goal of continuing full employment.

“Affected employees” shall mean employees who have undertaken vocational rehabilitation assessments provided by Hydro One and the results indicate a need for active services to facilitate the goal of returning to continuing full employment. This classification includes employees in receipt of LTD benefits who are assessed medically able to return to work.

“Rehabilitative employees” shall mean employees who are eligible for rehabilitation and are capable of rehabilitative employment.

47.3 General

Rehabilitation employment may not be used as a means to manage, discipline or place employees with poor/unsatisfactory performance unrelated to medical reasons.

47.4 Vocational Rehabilitation

47.4.1 Hydro One shall identify eligible employees as soon as possible and ensure their timely assessment regarding their need for vocational rehabilitation services.

47.4.2 Hydro One shall provide timely vocational rehabilitation services for affected employees. The goal is to facilitate the employee’s re-employment in a continuing capacity that will make maximum use of his or her capabilities.

47.4.3 Hydro One shall develop a rehabilitation plan (“the plan”) for each affected employee. The plan is subject to mutual agreement of the employee, his/her

personal physician, the Society (if its participation has been requested by the employee) and Hydro One. The plan will establish a return to work goal that is reasonable and realistic in the circumstances (e.g., recognition that a six-month rehabilitation may be insufficient for LTD benefit recipients in some cases). It will also describe the training, conditioning and therapy programs required to enhance the employee's capabilities within a defined timeframe. It will include an assessment of an affected employee's job accommodation needs (e.g., reduced hours, modified light duties, altered work station). The plan shall have a pre-determined duration and will be subject to periodic monitoring to assess the need for corrective actions to maximize the probability of successful continuing full time employment. Any party to the plan may request its review and/or revision.

47.4.4 Hydro One shall pay for vocational rehabilitation services and reimburse employees for reasonable expenses related to vocational rehabilitation.

47.4.5 Affected employees shall cooperate in the development of their vocational rehabilitation plans. MRAW employees shall provide confirmation of the nature of their medical restrictions by his/her personal physician to Hydro One or arrange with Hydro One to have these restrictions assessed.

47.5 Rehabilitative Employment

47.5.1 This section applies to rehabilitative employees.

47.5.2 An employee is entitled to placement in a medically suitable and reasonable position that accommodates his/her needs as identified in his/her rehabilitation plan (e.g., reduced hours, modified duties). Where an employee is MRAW, his/her fitness to perform essential duties of a job and work restrictions shall be identified.

47.5.3 Although the goal of rehabilitation is continuing employment in a full-time position, some employees have medical disabilities that may not be supportive of working full-time. Where the rehabilitation plan identifies reduced hours (minimum 14 hours maximum 28 hours per week) as a permanent medical restriction (supported by medical evidence) the employee will be re-employed and accommodated in an available and suitable ongoing position while retaining his/her LTD status.

47.5.4 The priority placement shall be the employee's return to his/her pre-disability position. Hydro One shall make all efforts to accommodate the employee in his/her pre-disability position.

47.5.5 In the event that efforts to satisfy an employee's assessed accommodation needs in his/her pre-disability position are not feasible or upon mutual agreement of the employee, Hydro One and the Society (where the employee has requested its participation), employees may be placed in a suitable alternate position. In these cases, Hydro One shall identify a target position or family of positions compatible with the employee's medical restrictions.

- 47.5.6 Where suitable alternate placement is required or agreed upon, an employee shall apply for vacancies identified by Hydro One as having essential job duties compatible with his/her medical restrictions.
- 47.5.7 Employees will be selected for suitable alternate positions in accordance with Article 65. Where more than one position is available, the employee will be offered the position nearest the salary level of the pre-disability position. The job offer may be no more than two salary levels below the pre-disability position.
- 47.5.8 Priority will be given to placement of employees in positions within Hydro One. External job opportunities, however, will be explored if appropriate internal positions do not exist. The employee must agree to any external placement.
- 47.6 Terms and Conditions of Rehabilitative Employment
- 47.6.1 Base salary in rehabilitative employment positions shall reflect normal scheduled hours worked at the current base hourly rate of the position (i.e., prorating shall apply in reduced hours situations).
- 47.6.2 When a rehabilitative employee is placed in a position whose salary grade is lower than his/her pre-disability position, Hydro One will maintain the base salary and benefits of the pre-disability position until the employee's current pay entitlement as determined by step placement in the new position exceeds that of the pre-disability position.
- 47.6.3 Rehabilitative employees shall continue to receive approved LTD/WSIB/Sick Leave benefits in accordance with the applicable statutory or collective agreement provisions. However, these entitlements shall be adjusted so that the total of the rehabilitative base salary and these benefits shall not exceed the current full-time base rate of the position occupied by the employee prior to disablement.
- 47.6.4 Where an employee returning from LTD receives a base salary less than the LTD benefit, Hydro One shall pay a supplementary amount equal to the shortfall to the employee.
- 47.6.5 Employees in receipt of LTD benefits shall receive the greater of the base salary for hours worked or LTD benefit entitlement.
- 47.6.6 Employees in receipt of LTD benefits shall continue to receive full (i.e., full time) service credit during rehabilitative employment and have full coverage (i.e., no prorating) in the Pension and Group Life Insurance Plans.
- 47.6.7 Rehabilitative employees shall be eligible for **step progression** increases. They shall receive performance appraisals where medical restrictions do not preclude their application. Performance appraisals and pay adjustments shall take into account medical restrictions with respect to establishing goals and measuring achievements.
- 47.6.8 Following the successful completion of rehabilitative employment and placement in an ongoing position, the employee shall be ineligible for LTD/WSIB/Sick Leave benefits and will receive the normal base salary for their position.

47.7 Termination of Employment

In the event an eligible employee refuses reasonable rehabilitative employment or a reasonable job offer for re-employment, the employee shall be terminated without entitlement to LTD benefits. Where an employee grieves termination for medical incapacity an arbitrator shall have jurisdiction to consider relevant post-termination evidence of rehabilitation.

PART X - HEALTH BENEFITS

Hydro One, through its claims services provider, shall provide extended health benefits and dental coverage as outlined in the brochure entitled "Health and Dental Plan for Society (effective **February 1, 2014** as amended pursuant to Section 48.4 and in accordance with the insurance carrier contract in effect at the commencement of the collective agreement. This does not in any way restrict the Employer's right to change the insurance carrier provided employee benefits are unaffected.

48 EXTENDED HEALTH BENEFITS (EHB)

- 48.1 Hydro One agrees to offer employees the option of using the Preferred Vision Services (PVS) Plan, subject to its availability.
- 48.2 Subject to the written consent of the Society, on a case by case and without prejudice basis, Hydro One and individual employees may enter into written agreements ("individual agreements") whereby, for a specified duration, the employees may waive their rights under the EHB Plan and opt for a different/alternative treatment. This enabling provision does not constitute an employee entitlement to different/alternative treatments but rather allows special requests to be accommodated by mutual agreement without increasing the costs of, or entitlements under, the EHB Plan. Neither the provisions of these individual agreements nor the decision by any party not to enter into such an arrangement are grievable.
- 48.3 ***The parties agree to establish a standing joint committee to meet and discuss all benefit –related issues/grievances with respect to the administration of the benefit plan by the new service provider, including but not limited to, reasonable and customary limits. Any issues which are not able to be resolved in this forum may be referred to arbitration.***
- 48.4 The health and dental plan and associated brochure shall be amended to include provision for the following changes;
- Increase vision care to **\$650** every two years effective **January 1, 2017**.
 - Increase coverage of chiropractic charges to \$750 per year effective April 1, 2016 and to \$800 per year effective April 1, 2018***
 - Orthotics and Orthopedic Shoes must be provided by a Qualified Provider/Dispenser. Qualified Providers/Dispensers include but are not necessarily limited to podiatrists, chiropodists, pedorthists, chiropractors, or orthotists.***
 - Change "Acupuncturists" to "Registered Acupuncturists" and "Naturopaths" to "Registered Naturopaths".***

- ❑ *Limit initial supply of new maintenance prescription drugs to a 30-day supply.*
- ❑ *Physiotherapy requires medical referral and include certified athletic therapist under the same category.*

49 DENTAL PLAN

- 49.1 Effective January 1st of each year of the collective agreement, the dentist fees will be paid up to the amounts shown in the current Ontario Dental Association (ODA) Fee Guide.

50 SEMI-PRIVATE HOSPITAL ACCOMMODATION PLAN

Coverage under the Semi-Private Hospital Accommodation Plan is unchanged.

51 PERSONAL ACCIDENTS

- 51.1 Hydro One shall pay accident benefits to employees for accidental bodily injury causing temporary total disability, permanent total disability or death in accordance with the current Table of Personal Accident Benefits.
- 51.2 Hydro One shall reimburse employees for medical expenses incurred as a result of an accident in excess of coverage provided by the Hydro One health benefits plans, OHIP or WSIB to the extent permitted by law

PART XI- RELOCATION ASSISTANCE

The following provisions apply to regular employees and are outlined in the brochure entitled "Relocation Assistance Benefits for Performance Paid Staff" (1995). Employees in positions covered by Article 25 will receive the treatment contained herein when appointed to regular positions, and required to relocate as a result of Hydro One's business.

52 HOUSING ASSISTANCE PLAN

52.1 Intent

- 52.1.1 Hydro One's purchase of an employee's principal place of residence is designed to ensure that an employee who moves will not be forced to endure unreasonable periods of family separation or inconvenience due to inability to sell the employee's home at a fair market price.
- 52.1.2 It will be the prerogative of Hydro One to reject an employee's application for Housing Assistance if in Management's opinion the property is not an acceptable risk.
- 52.1.3 The employee must abide by all of the requirements of the Housing Assistance Plan. Failure to do so will result in the employee becoming ineligible for housing assistance from Hydro One.

52.2 Purchase Guarantee

- 52.2.1 Hydro One will provide a purchase guarantee based on an appraisal of the property's current worth by a group of up to three appraisers, to be selected by the Real Estate Service in conjunction with the employee.
- 52.2.2 Hydro One will not request appraisals until the employee is ready to list his or her house in the marketplace providing this is within one year of the employee's transfer to the new work location and the employee is prepared to abide by Subsection 52.2.4 and Subsection 52.3.1.
- 52.2.3 The employee must acknowledge acceptance or rejection of Hydro One's Purchase Guarantee within **ten (10)** days of its receipt. If the employee rejects the Purchase Guarantee, Hydro One has no further responsibility with regard to Housing Assistance or the Purchase Guarantee.
- 52.2.4 If the employee wishes to participate in the Housing Assistance Plan, the employee must not list the property for sale until the Purchase Guarantee has been accepted.
- 52.2.5 Home Appraisal Documentation

Hydro One will provide the Society with an initial six month report of home appraisal documentation prior to January 1, 1995. Representatives from Hydro One and the Society will meet to discuss the particular form and content of subsequent reports. Upon agreement on the form and content a letter of understanding will be developed which will require the report to be given to the Society on a semi-annual basis for the term of this collective agreement. Any

anomalies in the report may be discussed by the Society and the Hydro One confidentially with full disclosure of information (including appraisals).

52.3 Listing of Property

- 52.3.1 If an employee chooses to participate in the Housing Assistance Plan, by accepting the Purchase Guarantee, the employee will immediately list the property for 90 days on MLS (where such service is available) at a price not exceeding 107% of the guaranteed price.
- 52.3.2 The employee will retain the right to sell to a third party until such time as the property is turned over to Hydro One for resale.
- 52.3.3 In order to assist the employee to dispose of the property expeditiously and at a fair market value, the employee should notify the Employee Relocation **Counsellor** of all offers to purchase during the listing period. Hydro One may ask the employee to accept an offer which is lower than the Purchase Guarantee, whereupon the employee will be compensated for the difference between Hydro One's Purchase Guarantee and the amount of the offer. The employee's acceptance of any offer less than Hydro One's Purchase Guarantee is not mandatory and the employee will retain control of the sale of the residence throughout the listing period. All offers to purchase will be held in confidence by the Employee Relocation **Counsellor**.

52.4 Sale of Property by Hydro One

- 52.4.1 The employee must be prepared to sign power of attorney authorizing Hydro One to sell property on the employee's behalf on the first day following the 90 day listing period. If the employee will be unable to vacate the premises at that time, the Employee Relocation **Counsellor** must be notified.
- 52.4.2 Hydro One will pay to the employee the difference between the value of the property to Hydro One (Purchase Guarantee) and all existing encumbrances, including the advance of equity.
- 52.4.3 *If the employee fails to maintain the property, he/she will be required to reimburse Hydro One. If the employee removes fixtures, Hydro One can deduct the cost of items removed from the purchase guarantee.***
- 52.4.4 When an employee applies for assistance under this procedure, he or she must declare under oath, if required by Hydro One, all encumbrances of any nature or kind whatsoever, including executions, chattel mortgages, and notices of conditional sales contracts which the employee is obliged to pay.
- 52.4.5 In consideration of the payment to the employee of the amount established in Subsection 52.4.2, the employee will complete a deed of sale of the property, conveying the same by good and marketable title, but subject to all existing encumbrances, to Hydro One or its nominee.

52.5 Advance of Equity

In order to provide the employee with funds for a deposit or down payment on a residence at the new location, an advance of up to 100% of the employee's equity

(Purchase Guarantee minus encumbrances) in the residence at the former location may be loaned to the employee by Hydro One. Advance of equity is interest free for employees who avail themselves of the Purchase Guarantee for 90 days for until the house is turned over to Hydro One or until the closing date of the sale of the house to a third party, whichever comes first. For employees who reject the Purchase Guarantee, the advance of equity is interest free for 90 days. Repayment is as set out in the Relocation Assistance Benefits brochure.

53 MOVING EXPENSES

53.1 Intent

53.1.1 Since Hydro One has province-wide operations, employees may be required to move about the Province as part of their jobs. For clarification, relocation assistance entitlements are not limited to moves within the Province.

53.1.2 Hydro One recognizes that there may be a number of relatively costly expenditures associated with moving and will endeavour to ensure that such expenses will be adequately covered.

53.1.3 Hydro One will not assume responsibility to compensate for any upgrading in an employee's standard of living which may take place as a result of moving.

53.1.4 The Housing Assistance Plan will apply to the employee's principal place of residence and will not cover summer cottages, commercial real estate holdings or other secondary properties.

53.1.5 Employees who receive any moving expenses are subject to Canada Customs and Revenue Agency rules and regulation.

53.1.6 Relocation expenses will not be paid for work headquarter transfers within the boundary of the current City of Toronto, save for exceptional circumstances of hardship as may be reasonably determined by Hydro One.

53.1.7 Notwithstanding anything in this Article, in order to qualify for moving expenses after the employee's headquarters moves, the headquarters move must result in a greater distance from the employee's home.

53.2 Minimum Moving Distance

53.2.1 Normally, **for involuntary moves and moves that result from appointments that represent a promotion** an employee must move a minimum of 40 road kilometres by the shortest normal route closer to the new work location to qualify for relocation assistance. **For voluntary moves that result from appointments that represent a lateral or demotion, this minimum moving distance is 125 kilometres.**

53.3 Expenses for Reimbursement

53.3.1 Household Effects

Hydro One will arrange for and shall pay the cost of packing, moving by freight or truck and insurance charges on household effects.

53.3.2 Home Buying and Legal Fees

Employees shall be reimbursed for legal disbursements and real estate brokerage fees associated with the purchase and/or sale of property valued up to five times the employee's annual base salary in the new location at the time of job transfer as follows:

a) Legal Fees

- The employee will advise Hydro One of his/her preferred lawyer. Hydro One will request the lawyer for an estimate on what the fees will be to complete the sale and/or purchase transaction. If Hydro One finds the solicitor's estimate to be unreasonable, Hydro One will ask the employee to recommend another solicitor to close the transaction.
- Legal fees and disbursements actually incurred in selling an old and buying a new residence will be paid by Hydro One.
- Legal fees shall be defined to include fees for arranging or discharging a first mortgage when required and will include land transfer tax.
- Disbursements shall be defined herein as those items paid by a lawyer on behalf of the employee for services in connection with the purchase or sale of the employee's residence including land transfer tax and land surveys when required, Ontario New Home Warranty Program if required for a new house, GST, and penalty costs to a maximum of three months' interest payments involved in discharging a first mortgage on the residence in the former location when required.

b) Referral Fees/Home Inspection

- When the employee is prepared to submit an offer to purchase on a property, Hydro One will make arrangement for one home inspection at Hydro One's expense. All offers to purchase should have a clause in the offer conditional upon the positive results of an inspection report. Any additional inspections for any reason will be at the employee's expense.
- Real estate brokerage fees charged by a real estate agency to the maximum standard recognized scale for services rendered in selling the employee's house shall be paid by Hydro One.
- ***If the employee negotiates a real estate commission fee less than the current cap of 5%, the cost savings will be shared by Hydro One (2/3) and the employee (1/3).***

Note: The changes identified above are not meant to take away the existing right of the employee to select the real estate agent or lawyer.

53.3.3 Transfer Expenses

A transferred employee is expected to make arrangements to move expeditiously but this should not exceed a period of one year from date of transfer, except where there is a specific agreement between the employee and local management for an extension. The employee must provide in writing his/her intention to move to the supervisor, prior to receiving payment for any

applicable living expenses. Reimbursement for actual costs incurred in the move will be allowed as follows:

- All employees who are eligible for moving expenses shall be afforded 12 weeks from the date the employee reports to work in the new location (i.e., date of transfer) to decide whether or not they wish to move. Payment of the following expenses is predicated on the employee maintaining his/her previous principal residence:
 - a) During this 12 week period, the employee shall have the option of either commuting to and from his/her new work location and receiving incremental travel expenses (i.e., additional travel costs beyond the employee's normal travel costs to the old work location), the total cost of which not to exceed living expense equivalent, or being paid living expenses in the new location. If the employee expressly indicates that he/she does not intend to relocate his/her residence, all expenses will cease at that time.
 - b) All expenses will stop at the end of the 12 week decision period unless the employee has provided in writing his/her intention to move within one year of date of transfer. Providing that the employee demonstrates to Management's satisfaction that arrangements to move with employee's family to the new location are being made as quickly as possible, the employee's living expenses in the new location or incremental travel expenses will be paid until such time as the employee moves or for a period not to exceed a further 6 months unless the employee can demonstrate serious hardship, in which case the period of expense coverage is 9 months (in addition to the initial 12 week decision period). The time limits mentioned above may be extended by a specific mutual agreement between the employee and line management for a total period not to exceed two years from the date of transfer.
 - c) If an employee, after providing written notification of his/her intention to move fails to do so, all expenses paid on his/her behalf or travel expenses paid to him/her for any period beyond the initial 12 weeks from the date of transfer or the date of his/her written intent to move, whichever comes first, shall be repayable to Hydro One. Repayment shall be made within one month of a written communication stating his/her intention not to move or within one year of date of transfer whichever comes first.
 - d) Exceptions to the repayment requirement should the employee fail to move may be made by reasonable exercise of the Business Leader's discretion (e.g., for reasons of significant unforeseen life hardships, Hydro One transfers, Hydro One international assignments, etc.).
- Transportation to the new location and living expenses while in transit to the new location will be paid for the employee and family (spouse and dependent children) and any other dependents of the employee's household. A reasonable number of visits by the employee and family, to the new location to assist in the selection of a new principal residence will be paid at the discretion of local Management.

- Living expenses of the employee and family during the period while household effects are in transit will be paid.
- Reasonable upkeep costs including mortgage interest on the old residence will be paid for a period of up to three months after the employee has moved to the new residence but still retains title to the old residence due to an inability to sell. If closure of the sale is imminent, the period may be extended by up to six weeks.
- Time off with pay to a maximum of one day's base earnings if the day of the move falls on a normally scheduled working day.
- Employees may elect to receive lump sum payments in lieu of the following:
 - * temporary living expenses;
 - * reimbursement for costs associated with return to residence headquarters;
 - * benefits and expenses associated with house hunting trips;
 - * temporary storage, etc.

53.3.4 Spousal Assistance

An employee will be reimbursed for his or her spouse's job search expenses, supported by receipts, up to a maximum of \$750.00.

53.3.5 Rental Assistance

An employee who transfers to a higher cost rental area and who rents comparable rental accommodation will be provided with rental assistance by Hydro One as follows. The extent of this assistance will be the lesser of:

a) the monthly rent in the old location multiplied by Hydro One's rental differential;

or

b) the amount of the monthly increase in rent.

An employee who rents in the former location and purchases in the new location will be eligible for the equivalent of rental assistance as will the employee who conversely owns a home in the former location and rents in the new location.

Rental assistance will be provided for a five year period, based on 100% assistance in the first year and decreasing by 10% annually over the next four years.

This assistance will cease if the employee transfers to a new work location, terminates his/her employment with Hydro One, ceases to rent, retires or dies.

53.3.6 Rental Management Program

Upon request, Hydro One will arrange for a rental management firm to rent an employee's house when he/she is expected to return within five years and will

pay the costs associated with this arrangement if it is in Hydro One's financial interests to do so.

53.3.7 Miscellaneous Expenses

Employees will be reimbursed for miscellaneous expenses associated with the move up to the limit of one month's salary based on normal scheduled hours of work. These expenditures are intended to cover items such as:

- cost of rental search assistance;
- costs incurred as a result of the move such as, cleaning, painting and decorating costs; adaptation, removal, installation or replacement of house furnishings and appliances;
- costs for connecting water, natural gas, and electricity to a new house if charged to the employee as purchaser.

Employees will not be reimbursed for capital expenditures which tend to increase the market value of a house, major house repairs or renovations.

53.4 Second Related Move

If a suitable residence is not available at time of transfer, an employee may rent temporary premises for up to one year. Under these circumstances, Hydro One will reimburse the employee for costs incurred in accordance with all Sections of this Agreement for either one of the two moves. For the other move, only costs of transportation, moving household effects, and legal fees incurred will be paid.

53.5 On Retirement

53.5.1 If Hydro One requires an employee who occupies a house or trailer on Hydro One property or a site under Hydro One control to move on retirement, the employee will be reimbursed as outlined in Section 53.3 for the cost of a move to any location in Ontario in which he or she desires to settle.

53.5.2 If an employee is requested to undertake a change in work headquarters involving a change in principal residence, and is age 55 or older on the date of transfer, consideration shall be given to the reimbursement of some or all of the moving expenses of that individual upon eventual retirement from Hydro One. The extent and terms of the assistance to be provided upon retirement will be determined at the time of transfer.

53.5.3 Only moving expenses within the Province of Ontario or to the nearest exit point from the Province will be eligible for consideration.

54 FINANCIAL ASSISTANCE PLAN

Hydro One shall contribute towards the interest costs on the increase in capital expenditure for an employee who is transferred to a higher cost housing area **when the following conditions are met:**

- ***The cost of the new residence must be at least 10% higher than the cost of the residence sold; and***
- ***The new residence must have a mortgage and the mortgage rate must be the lowest mortgage rate of the top five Canadian banks for a five-year closed fixed mortgage.***

Financial assistance will not apply to second moves if this move is voluntary and results from an appointment that represents a lateral or demotion and financial assistance was provided for the first move.

Eligibility for this assistance will be determined by using:

- a) a house-for-house comparison conducted by Hydro One.

The amount of assistance will depend upon the:

- sale price of the residence in the former location;
- relative value of comparable housing in the new location;
- actual increase in housing costs (purchase price less sale price);
- current interest costs

The locality differential will be based on the differential in effect as of the date of closing of the purchase of the residence in the new location. The interest rate used to calculate the level of assistance will be based on Hydro One's employee housing loan rate for a five year term as published by the Treasury Division (or the actual mortgage rate, whichever is less) as of the date of closing of the purchase of the residence in the new location.

The financial assistance will decrease annually in twenty (20) percent increments over a five year period.

An employee receiving financial assistance must advise Hydro One if he/she sells or rents his/her house in the new location within five years of purchase. Assistance provided to the employee will be reviewed and revised accordingly.

Financial Assistance ceases upon termination or retirement. However, should an employee die while receiving financial assistance associated with relocation, such assistance may continue as per the original entitlement based on a case-by-case review by the Business Unit providing the following condition is met:

- the designated beneficiary provides affidavits on an annual basis that the principal residence for which the assistance is paid continues to be his/her principal residence and that no new revenues for renting any portion of the residence are being received.

55 HOUSE EVALUATION AND GUARANTEE PLAN

Upon subsequent transfer within Hydro One, an employee will be guaranteed his/her purchase price up to a maximum of four times his/her base salary at the time of the initial transfer (plus \$1500 for capital improvements on new homes, \$15,000 for resale homes or minus \$3,000 for damages to the property). This guarantee will be for a period of ten years from the date of purchase. Improvements must be verified by receipts and do not include normal painting,

decorating and maintenance costs. An employee may not sell his/her house for less than the guaranteed amount without the consent of Hydro One.

56 COMPENSATION WHEN ASSIGNED TO TEMPORARY WORK HEADQUARTERS

56.1 Intent

- a) When there is an assignment to a Temporary Work Headquarters, the employee and his/her supervisor must have a mutual understanding of the terms of the assignment prior to its commencement using the following provisions.
- b) Employees assigned to a Temporary Work Headquarters should not be separated from their families for exceptionally long periods of time due to work requirements and should be compensated for all reasonable out-of-pocket expenses and travel costs.
- c) When an employee is assigned to a Temporary Work Headquarters, the employee *may* remain at the Temporary Work Headquarters **only if the travel distance is greater than 50 kilometres, subject to reasonable consideration of safety, weather and commuting conditions. Exceptions to this threshold require supervisor approval.** If there is mutual agreement between the supervisor and employee to commute daily **for distances greater than 50 kilometres**, then the employee may do so.
- d) Employees will be reimbursed for all reasonable out-of-pocket expenses associated with being assigned to the Temporary Work Headquarters.
- e) Employees will be reimbursed for any additional travel costs beyond their normal travel costs to their Regular Work Headquarters.
- f) Travel time on the first trip to, and on the last trip from, the Temporary Work Headquarters shall be either during normal scheduled hours or compensated in accordance with Article 59 (Travel Time) if outside normal scheduled hours.
- g) Selections for Temporary Work Headquarters assignments should not be made on the basis of travel cost considerations.

56.2 Definitions

"Regular Work Headquarters": The location to which the employee normally reports in order to receive work assignments or to perform regular duties.

"Temporary Work Headquarters": The location to which an employee is directed in order to carry out assigned duties away from Regular Work Headquarters.

"Periodic Return": The return to the employee's principal residence once every two weeks.

56.3 Compensation When Remaining at Temporary Work Headquarters (TWHQ)

- a) When the employee resides at the TWHQ and does not commute, the employee shall be reimbursed for all reasonable out-of-pocket expenses incurred while at the TWHQ.

- b) An employee who resides at the TWHQ will be allowed a periodic return once every two weeks.

The employee shall be reimbursed for travel costs associated with the periodic return for the distance between his/her principal residence and his/her TWHQ, less normal travelling costs. Travel time associated with periodic return, outside normal scheduled hours and in excess of one hour each way, shall also be compensated. Compensation will be either in equivalent time off, or in pay, at straight time rates. Time spent in obtaining a meal will not be compensated.

- c) On intermediate weekends, if the cost of remaining at the TWHQ would be less than the cost of a return trip, the employee may claim actual travel costs up to the cost of remaining at the TWHQ. If the cost of remaining at the TWHQ is greater than the cost of a return trip, the employee may be reimbursed for all travel costs incurred for a return trip on that weekend.
- d) For employees who reside in rental or leased accommodation at the TWHQ, cost of travel on intermediate weekends will be based on the lesser of a per diem rate based on the daily costs of normally used local hotel/motel accommodation (meals included) or actual travel costs (less normal travelling costs).
- e) Travel time will not be paid for return trips to home on intermediate weekends.

56.4 If the temporary assignment appears to cause the employee to reside separately from his/her family for a long duration, and for long distances, i.e., more than 100 kilometres, the supervisor may permit the employee to rent accommodation for his/her family near the TWHQ. In this situation, the employee will be reimbursed for all reasonable out-of-pocket costs, including the difference in rent paid out in the temporary location and any rent received from the principal residence.

56.5 Compensation for Daily Commuting To, and From, Temporary Work Headquarters

- a) When an employee and supervisor have mutually agreed that the employee may commute to the TWHQ on a daily basis, the employee shall be compensated for his/her travel time in accordance with the provisions of Article 59 ("Travel Time").

The use of a Hydro One vehicle will be one of the commuting options considered.

If a Hydro One vehicle is not used, the employee shall be compensated for his/her travel costs (i.e., public transportation costs or cents per kilometre, whichever, in the Supervisor's opinion, is the most reasonable considering the travel time and transportation expenses involved) in addition to his/her travel time.

The total amount of reimbursement for the employee's travel time and travel costs will be up to a maximum of the expenses that would have been incurred if the employee were to remain at the Temporary Work Headquarters (lodging and meals). In determining this maximum, consideration will also be given to the expenses that would have been incurred if the employee had used a Hydro One vehicle.

- b) When an employee commutes daily, he/she is required to be at the Temporary Work Headquarters at normal starting time and remain until normal quitting time.

Note: Where the planned duration of the assignment at a Temporary Work Headquarters is greater than one year, the employee will be eligible for full relocation assistance.

56.6 Exception

This Article does not apply to employees who on a daily or short-term basis may be required to work at a number of different work headquarters. In these cases, local management will determine the appropriate compensation treatment, but such compensation will not be less than that applicable to other employees under this Article.

PART XII - TIME WORKED OUTSIDE NORMAL HOURS

57 ON-CALL SERVICE

The following on-call service provisions shall apply.

57.1 Definition

On-call service is the requirement to be available outside normal work hours to meet unusual conditions, satisfy needs for assistance or direction, and return to work within a reasonable time, as specified by the supervisor. During the period of assignment, the staff member must be capable of responding. Normally, employees are not expected to be on call for a continuous, long-term period.

57.2 Payment

57.2.1 Compensation for on-call service is applicable in the following cases:

- a) there is a regular need for it (e.g. weekly, monthly, annually) and;
- b) the supervisor formally notifies the employee of the assignment.

57.2.2 The on-call service payment for any 16-hour period outside normal work hours is one half hour per day calculated at Step 9 MP4/TMS5.

57.2.3 The on-call service payment for any 24-hour period outside normal work hours (i.e., Saturday, Sundays, Statutory Holidays and granted days) is one hour per day calculated at Step 9 MP4/TMS5.

57.2.4 The on-call service payments specified above will apply only to the time periods as specified.

58 OVERTIME

The following provisions shall apply to employees when assigned to work overtime.

58.1 The method of compensation, for authorized overtime, may be money or time off at the appropriate premium rate. The employee or the supervisor may propose the method of payment, but it is the supervisor's responsibility to approve the method of payment most compatible with the unit's needs. Prior understanding between the supervisor and employee is desirable. If no request is made prior to the overtime being worked or if there is no agreement between the employee and the supervisor on the method of compensation, payment at the appropriate overtime rates will be automatic and paid. Lieu time for overtime accrued shall be limited in total to the number of hours equivalent to the employee's normal work week. When an employee reaches these hours, he/she will be unable to request further lieu time for overtime worked until he/she has brought the hours below the set limit. The accrued lieu time will be taken at a time which is mutually-agreeable to both parties and can be carried over to the following calendar year. If a mutually agreeable time cannot be established by both parties, the employee will be required to cash out the lieu time banked on March 31st of the following calendar year.

58.2 Day Workers

Overtime Worked	Overtime Hours	Rate of Payment
Monday to Friday	Authorized overtime beyond normal scheduled hours worked in the day	Time and one half (T-1/2)
Saturday	Authorized overtime	Time and one-half (T-1/2)
Sunday	Authorized overtime	Two times (2T)
Statutory Holiday	Authorized overtime	Monday to Friday: Two times (2T) for all unscheduled hours plus a Statutory Holiday credit. Saturday: Two times (2T) for all unscheduled hours worked.

58.3 Shift Workers

Overtime Worked	Overtime Hours	Rate of Payment
Scheduled Work Days	Authorized overtime beyond normal scheduled hours worked in the day.	Monday to Saturday: Time and one half (T-1/2) Sundays and Statutory Holidays: Two times (2T)
Scheduled Days Off	Authorized overtime on a normally scheduled day off.	Monday to Saturday: Time and one-half (T-1/2). Sunday: Two times (2T). Statutory Holidays (Monday to Friday): Two times (2T) plus a Statutory Holiday credit for hours worked up to normal hours for the day. Statutory Holiday (Saturday): Two times (2T).

58.4 For OSS and TMS staff required to work overtime and supervise staff receiving a higher overtime rate than that paid under Sections 58.2 and 58.3 above, the treatment shall be as follows: OSS and TMS staff receive two times their base hourly rate for all work, as described above, performed outside the first four clock hours after normal quitting time, Monday to Friday, and for all such work performed on Saturday.

58.5 In addition to employees covered under Subsection 58.4 employees who are directly involved in the operation, maintenance or construction of production, transmission or distribution facilities (exclusive of head office staff) and who directly supervise or work beside PWU employees will be compensated with the equivalent to PWU overtime premiums for all overtime worked, including the minimum payments received by PWU staff for both emergency and scheduled overtime. Employees work beside PWU employees if, as a regular part of their job, they are required to work with PWU staff on essentially the same job, under the same general conditions, and their presence at site for the overtime in question is necessary for task progress.

Employees may be designated as eligible under the above on an on-going basis or on an assignment by assignment basis at the discretion of Hydro One.

58.6 Recording Overtime

Management shall record assigned and paid overtime and will report the same to the Society every 6 months.

59 TRAVEL TIME

The following provisions shall apply to employees who are required to travel on business for Hydro One.

59.1 General

Some traveling time outside of normal hours of work to and from work locations, other than the regular work headquarters, is an inherent part of many jobs, for which no additional compensation is normally made.

59.2 Excessive Travel

- a) It is recognized that in some situations travel might be excessive. In these cases, the preference is for the supervisor and the employee to arrive at a mutual agreement as to what constitutes "excessive". This determination should be based on the following considerations:
- the amount of travel time that is required (hours per day, week and month)
 - the choice of travel options
 - the cost of travel choice/option
 - if the employee travels with PWU employees (i.e., internal relativity)
 - the time above and beyond the employee's normal travel time between home and normal work headquarters
 - the desire to compensate for travel time with time off

Where there is no mutual agreement, excessive travel time shall be defined as follows and compensated at straight time:

- the travel time in excess of one hour at the beginning and end of the normal scheduled day and greater than the employee's normal travel time; OR
- where the daily rate is not exceeded, the travel time in excess of five hours per week greater than the employee's normal travel time; OR
- where neither the daily nor weekly rate is exceeded, the travel time in excess of twenty (20) hours per month greater than the employee's normal travel time.

- b) When a special assignment calls for departure from the employee's home in the evening, or on a regular day off, time spent in travel will be compensated at straight time.

59.3 Emergency Overtime Work

Non-Prearranged Overtime Work: Travel time will be paid at the appropriate overtime rates for any work outside and in addition to normally scheduled hours for which there has been no pre-arrangement and an extra trip is required. Notification for prearranged overtime must be given at least 24 hours in advance of the start of such work.

59.4 Attendance at Seminars, Conventions, Etc.

- a) When an employee attends a convention, seminar, training course, or similar function and does not arrive at the destination or depart from it until after normal work hours, no additional time allowance will be paid, i.e., this travel time will be considered as part of the employee's contribution to attendance at a mutually benefiting function of this nature.
- b) Where Hydro One directs an employee to take a training course, travel time will be compensated in accordance with Article 59.2 .

59.5 Flexibility

Variations to the provisions of this Article made by agreement between the supervisor and the employee are permitted, subject to Director approval.

60 SHIFT WORK (M&P, TMS)

60.1 Definitions

Shift: All scheduled hours of a shift are considered to occur in the calendar day that the shift ends.

Scheduled Work: The hours of work assigned as per the shift schedule. Scheduled work cannot include overtime.

Positive/Negative Time Balances: Total hours accumulated in a time bank less the product of the normal scheduled hours of work for the position times the number of weeks since the time bank was previously balanced to zero. The result may be positive or negative.

60.2 Shift Workers

Consultation with the Society will occur prior to implementation of any future change to scheduled hours. Hours of Work will not be changed as a result of this Article.

Some jobs are shift work jobs e.g. Shift Operating Supervisors. Management reserves the right to put incumbents in these jobs on shift.

The job evaluation plan used to evaluate M&P jobs will be used as the vehicle to determine the relative worth of M&P shift positions within the shift family of jobs, and to

establish appropriate relativity between positions in this family and other non-shift M&P positions.

The requirement to obtain and maintain a license(s) to hold a shift position shall be identified in the job document (description and specification).

The number of personnel provided per shift position shall be such that no regularly scheduled overtime will be required. Due to the nature of Hydro One's operations, it may be necessary for employees on shift to work some overtime.

Management shall retain the right to place employees in shift positions for training and development purposes provided that the implications of possible classification changes on completion of the shift development phase are fully identified to the incumbent before the shift position is accepted.

Management shall provide an opportunity for input from employees prior to establishing shift schedules.

Management will use reasonable efforts to provide a minimum of seven (7) days' notice for shift workers when their hours of work, as shown on the regular schedule, are to be changed, except in the case of a forced unit outage or for reasons of equipment failure or safety. Management will use reasonable efforts in revising the regular schedule so as to provide the following minimum hours off between shifts:

- a) Shift change notices between 12-hour shifts will provide at least 12 hours off.
- b) Shift change notices from a 12-hour shift to an eight-hour shift will provide at least 12 hours off.
- c) Shift change notices from an eight-hour shift to a 12-hour shift will provide at least 15 hours off.
- d) Shift change notices between eight-hour shifts will provide at least 15 hours off.

60.3 Shift Allowances (M&P, TMS)

a) Shift Premiums

- Shift work on Saturdays and Sundays: 50% of 95% of MP4 Step 9 rate per hour worked.
- Shift work on statutory holidays: 95% of MP4 Step 9 rate per hour worked.

The Statutory Holiday shift premium shall be paid on an actual hourly-as-worked basis.

b) Shift Differentials

- For work on an 8-hour afternoon shift (1600 - 2400 hours) - 75¢ per hour worked
- For work on an 8-hour night shift (0000 - 0800 hours) - \$1.00 per hour worked
- For work on a 12-hour night shift only - \$1.15 per hour worked.

60.4 Information Technology Organizations (M&P)

In information technology organizations where the shift allowance payable to an M&P Shift Supervisor does not amount to at least 112% of the shift-related payments received by the PWU-represented staff working the same shifts, an annual adjustment will be made to the shift allowance for the M&P Shift Supervisor.

Until Hydro One is able to solve the relativity problem in information technology organizations, M&P shift supervisors shall receive an annual adjustment which would result in a 12% differential between their shift allowance and the shift-related payments received by the PWU-represented staff working the same shifts. Where a 12% differential exists, no annual adjustment will be made.

Employees in information technology organizations who either start or leave an M&P shift position during the year will receive a monthly pro-rated allowance. One-half month's tenure is necessary for receipt of the allowance for that month.

60.5 Ten Hour Shifts

Hydro One may assign employees covered by this Article to 10 hour shifts, without a vote, with the exception of employees subject to the Letter of Understanding re "Hours of Work for Field Management and Professional (FM&P) Staff" dated July 2, 1996.

The following conditions shall apply:

a) Notice

Management will use reasonable efforts in revising the regular schedule so as to provide the following minimum hours off between shifts:

- i) Shift change notices between 10-hour shifts will provide at least 12 hours off.
- ii) Shift change notices between a 10-hour shift to a 12-hour shift or vice versa, will provide at least 12 hours off.
- iii) Shift changes notices from a 10-hour shift to an 8 hour shift or vice versa will provide at least 15 hours off.

b) Shift Differential

- First shift - 0600 - 1800 hours - no shift differential
- Second shift - 1400 - 0200 hours - \$0.75 differential per hour worked

c) Shift Premium

- Shift work on Saturdays and Sundays - 50% of 95% of MP Step 9 rate per hour worked.
- Shift work on statutory holidays - 95% of MP4 Step 9 rate per hour worked.
- The statutory holiday shift premium shall be paid on an actual hourly-as-worked basis.

d) Special Circumstances

Collective Agreement provisions for time off shall apply except as modified for the following Special Circumstances;

On 10-hour day/shifts the following items will be credited for pay purposes on an hour-for-hour basis:

- i) Vacation
 - ii) Floating Holidays
 - iii) Sick Leave
 - iv) Leave of Absence/Unpaid Time Off
 - v) Travel Time
 - vi) Medical and Dental Consultation - Periods of less than four hours shall not be deducted from sick leave credits.
- a) In the application of the above-noted items (i) (ii) and (iii), a “days” entitlement will mean eight hours, i.e. a 10-hour day/shift will constitute one day and two hours deducted from credits.
 - b) When an employee is scheduled to work a 10-hour day/shift and one of the under-noted conditions occurs, a “day” will be considered to be 10 hours.
 - i) Jury duty and attendance at court
 - ii) Funerals
 - iii) Moving Day
 - iv) Time Charges for Attendance at Delegates’ Council and meetings of the Society’s Board of Directors.

60.6 Periodic Shifts for Non-Shift Workers

- 1) Periodic shifts for non-shift employees shall be allowed to mirror shifts created under PWU "periodic shift" agreements in force at the time of settlement, when the Society employee(s) provides direct supervision or technical support (including inspection/testing) alongside such PWU-represented employees for:
 - a) field settings
 - b) laboratory settings.
- 2) In the circumstances described in paragraph 1, above, an employee shall be assigned to periodic shifts for a maximum of 60 working days per fiscal year in the aggregate, under applicable shift provisions of the Collective Agreement including normal shift differentials and premiums. Where the PWU supply non-shift workers, the Society shall not unreasonably withhold its consent to supply consistent supervision for the duration of the project.
- 3) This Article does not alter existing local agreements in force at the time of settlement, including agreements reached pursuant to Article 71, and modifications of the provisions of paragraphs 1 and 2 are negotiable as local agreements pursuant to Article 7.
- 4) The parties may review the application and operation of this Article prior to the end of the Collective Agreement.

61 SHIFT WORK (FM&P)

61.1 Intent

- Assignment of FM&P staff to shift will normally be on a voluntary basis. However, in the absence of any qualified volunteers, Hydro One reserves the right to appoint specific individuals to perform the work.
- An employee who has volunteered may opt out of a shift arrangement by giving one month's written notice, subject to the above.
- Except in an emergency situation, at least seven days' notice will be given with respect to shift change notices.
- Hydro One will propose shift arrangements and seek the Society's input on proposed shift arrangements.
- A minimum period for a shift is four days.
- Hydro One reserves the right to terminate specific shift arrangements by giving one month's written notice.

61.2 Definitions (See Article 60)

61.3 Shift Differentials

Scheduled hours worked in shifts commencing during the following hours shall have the following shift differential apply:

- a) two- or three-shift coverage of eight hours or less:

07:00 – 10:00	Zero differential
10:00 – 18:00	An amount equal to one-seventh of FM&P 12 reference point rate per hour worked
18:00 – 07:00	An amount equal to one-fifth of FM&P 12 reference point rate per hour worked

- b) two-shift coverage of greater than eight hours:

06:00 – 10:00	Zero differential
10:00 – 06:00	An amount equal to one-fifth of FM&P 12 reference point rate per hour worked

61.4 Shift Premiums

Scheduled hours worked on Saturday and Sunday will be paid at an amount equal to the employee's base rate plus half of FM&P 12 Step 9 rate per hour worked.

For scheduled work performed on a statutory holiday, the amount paid equals the employee's base rate plus one times FM&P 12 Step 9 rate per hour worked. An additional day off will be scheduled in lieu of the statutory holiday.

61.5 Overtime

Authorized overtime beyond the normal scheduled shift hours shall be compensated in accordance with the overtime provisions of this Agreement.

61.6 Time Balancing

A time bank will be established for each employee to record the total number of scheduled hours worked plus scheduled hours paid for vacation, sick leave, time off in lieu or other approved paid time off. The time bank will be reduced to zero after the duration of the shift schedule.

For positive time balances the employee may elect:

- i) payment at time and a half for 50% of the hours and double time for the remainder;
- or
- ii) time off at straight time.

Negative time balances existing at the end of the shift schedule, or caused by interruption or cancellation, will be written off.

Overtime hours are not counted in the time bank.

61.7 Special Circumstances

In the application of the under-noted items a reference under the appropriate provision to "days" entitlement will mean eight hours. For example, a 12-hour shift will constitute one and one-half days deducted from credits. Items (e) and (f) will be credited, for pay purposes, on an hour-for-hour basis.

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Leave of Absence
- e) Travelling Time Outside Normal Working Hours
- f) Payment for Relief Work

When an employee is scheduled to work shift and one of the following items applies, a "day" will be considered to be one scheduled shift.

- a) Legal Hearings

- b) Funerals
- c) Moving Day

61.8 10 Hour Days/Shifts

On 10-hour days/shifts the following items will be credited for pay purposes on an hour-for-hour basis:

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Leave of Absence/Unpaid Time Off
- e) Travel Time
- f) Medical and Dental Consultations – Periods of less than four hours shall not be deducted from sick leave credits.

In the application of (a), (b) and (c) above, a “day’s” entitlement will mean eight hours i.e., a 10-hour day/shift will constitute one day and two hours deducted from credits.

When an employee is scheduled to work a 10-hour day/shift and one of the following conditions occurs, a “day” will be considered 10 hours:

- Jury duty and attendance at court
- Funerals
- Moving Day
- Time Charges for Attendance at Delegates’ Council and Meetings of the Society Board of Directors.

On a 10-hour day/shift, basic Statutory Holiday and special time off provisions remain unchanged i.e., time off and pay entitlements will continue to be calculated on an eight-hour basis. Employees will be given the opportunity to recover two hours when a Statutory Holiday falls on a scheduled 10-hour day/shift and the employee is not given the opportunity to work. Such hours shall be worked at straight time and shall be scheduled by mutual agreement between the employee and his/her supervisor.

On a 10-hour day/shift, authorized overtime beyond 10 hours work on scheduled workdays and all hours worked on scheduled days off shall be compensated in accordance with Article 58.

62 COMPENSATION AND WORKING CONDITIONS - 12-HOUR SHIFT SCHEDULE

The following provisions apply to employees who work a 12-hour shift schedule.

62.1 General Provisions

- 62.1.1 The 12-hour shift schedule will average the regular scheduled hours per week for employees and will indicate the days and hours of work (shift) for each

employee. Payment will be determined in accordance with this Article and as outlined elsewhere in Article 60 ("Shift Work - M&P, TMS").

62.1.2 The implementation of 12-hour shift work will be on the understanding that its application will not result in any appreciable increase in cost to Hydro One.

62.1.3 Hydro One or the Society shall have the right to terminate 12-hour shift work. Written notice must be provided by the Department Manager to the Society President or vice versa.

- a) If the notice is two months prior to the end of the current schedule, 12-hour shift work will terminate at the end of the current schedule. Reason(s) for termination will be provided by the respective party.
- b) The 12-hour shift schedule may be cancelled immediately by Hydro One should any of the following be adversely affected: safe operation of plant; health of shift workers; public safety.

Shift work monitoring criteria may include employee health, employee safety, employee attitude, attrition, overtime availability, insufficient notice for shift change, operating error, productivity, shift turnover and cost.

- c) When employees at any Department have exercised the right to opt out of time-balanced 12-hour shift work, no new 12-hour shift work may be introduced for those employees without the mutual agreement of local management and the local Society representative.

62.1.4 All policies and agreements which normally apply to employees will continue to apply unless specifically stated otherwise in this Article.

62.2 Shift Differential

A shift differential of \$1.15 per hour worked will be paid to 12-hour shift employees for each night shift hour worked, in accordance with Article 60.3 ("Shift Work (M&P, TMS)").

62.3 Shift Premium

Hourly shift allowances shall be paid to M&P and TMS shift workers, for hours worked as follows:

Shift work on Saturdays and Sundays	50% of 95% of the MP4 Step 9 rate per hour worked.
Shift work on Statutory Holidays	95% of the MP4 Step 9 rate per hour worked.

The Statutory Holiday shift premium shall be paid on an actual hourly-as-worked basis.

62.4 Overtime

62.4.1 Authorized overtime beyond 12 hours of work on scheduled workdays Monday to Saturday inclusive and all hours worked on scheduled days off Monday to

Saturday inclusive shall be compensated in accordance with the overtime provisions of this Agreement.

62.4.2 Authorized overtime beyond 12 hours of work on scheduled workdays which are Sundays or Statutory Holidays and all hours worked on scheduled days off which are Sundays or Statutory Holidays shall be compensated in accordance with the overtime provisions of this Agreement.

62.5 On-Call

On-call service payments will not be applied to those employees on the Minimum Availability Requirement (MAR) list (see Section 62.8).

62.6 Special Conditions

62.6.1 The following items will be credited for pay purposes on an hour-for-hour basis:

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Time Off Without Pay
- e) Travel Time
- f) Medical and Dental Consultations - Periods of less than four hours shall not be deducted from sick leave credits.

62.6.2 In the application of the above-noted items (a), (b) and (c), a reference under the current provisions of this Article to a "day's" entitlement will mean eight hours. Therefore a 12-hour shift will constitute one and one-half days deducted from credits.

62.6.3 When an employee is scheduled to work a 12-hour shift and one of the under-noted conditions occurs, a "day" will be considered to be 12 hours.

62.6.4 Jury duty and attendance at court.

62.6.5 Funerals.

62.6.6 Moving Day.

62.6.7 Time Charges for Attendance at Delegates' Council and meetings of the Society's Board of Directors.

62.7 The basic Statutory Holiday and special time off provisions remain unchanged in that time off and pay entitlements will continue to be calculated on an eight-hour basis.

62.8 Minimum Availability Requirement (MAR) List

- 62.8.1 In order that a sufficient number of shift employees are on duty to maintain and ensure a continuous operation at any Department utilizing 12-hour shifts, a MAR List will be prepared.
- 62.8.2 A sufficient number of employees, by job classification and qualifications, will be determined by Hydro One. Employees will volunteer their willingness to be called in to work in this situation, by placing their name on the MAR List under the day(s) they wish to be called. If there are no volunteers, Hydro One reserves the right to assign employees to the MAR List. Employees will not be placed on the MAR List who are scheduled to work on an adjoining shift.
- 62.8.3 An employee on the MAR List agrees to be available during the Required Availability Period (RAP), to report to work to cover short-term absence. The RAP is the period of time commencing two hours prior to each shift change and ending one hour after each shift change.
- 62.8.4 If an employee whose name is on the MAR List cannot be available for the specified day(s), the employee must arrange for a substitute acceptable to Hydro One, whose name then would be added to the MAR List.
- 62.8.5 Volunteering or being assigned to the MAR List for RAP periods does not entitle the person to any compensation, i.e., on-call pay, etc., nor does it guarantee that overtime will result.
- 62.8.6 In the event that an employee is called to work from the MAR List, he/she will be entitled to overtime premium rates (outlined in Section 62.4) for all hours worked.

62.9 Twelve-hour shift work may be introduced when the following conditions are met:

- 62.9.1 If local management determines that a 12-hour shift work arrangement is appropriate, a vote will be held in the affected work unit(s).
- 62.9.2 More than 50% of those eligible to vote in the work unit(s) must vote in favour of 12-hour shift work.
- 62.9.3 The vote will be determined by a secret ballot scrutinized by the appointees of Hydro One and the Society.

APPENDIX I**Master Schedule Guidelines**

- 1.0 All work groups must follow the same schedule.
- 2.0 An excessive number of 12-hour shifts cannot be worked in sequence. Three would be the maximum for nights; four would be the maximum for days.
- 3.0 At least 48 hours off will immediately follow each sequence of shifts. At least two regular days off will be schedule in each week.
- 4.0 Time balances should cycle between +36, with an additional +4 hours as an exception.
- 5.0 Other specific rules in the Article should also be noted.

Note:

1. Supernumerary shifts will be worked between the hours of 08:00 and 16:00. These shifts will be spread evenly throughout the year except for July and August. Supernumerary shifts will only be scheduled in July and August if required for outage schedules.
2. For hours actually worked by an individual the following implementation rules apply:
 - 2.1 Maximum of 3 night shifts in a row, except for MAR list needs.
 - 2.2 A minimum of 48 hours off per pay period, except for MAR list needs

63 SHIFT TURNOVER

- 63.1 A shift turnover allowance will be paid to employees who have been authorized to perform shift turnovers, based on the criteria in Sections 63.2 and 63.3 and in compliance with the chart below.
- 63.2 Only one person will be paid for each shift turnover, either the incoming or the outgoing shift, but not both.
- 63.3 Rights to overtime are waived in favour of the above allowance when performing normal shift turnovers. The exception to this is in cases where the turnover is 30 minutes or longer due to unusual circumstances. In such cases all time beyond normal working hours will be compensated according to the overtime provisions of this Agreement in place of the allowance.

- Payment Per Shift Turnover -

<i>Salary Grade</i>	
MP6	\$16.40
MP5	15.30
MP4	14.40
MP3	13.50
MP2	12.65
TMS 05	12.60
TMS 04	11.80
TMS 03	11.10
TMS 02	10.40
TMS 01	9.70

PART XIII- WORKING CONDITIONS

64 REDEPLOYMENT, SURPLUS STAFF PROCEDURE AND CHANGE OF EMPLOYER

64.1 Scope

This Article applies to the redeployment or transfer of employees within Hydro One and from Hydro One to a new employer to whom a portion of Hydro One's business is transferred.

This Article will apply to all employees except temporary employees, and takes precedence over other provisions of this Collective Agreement with regard to vacancies and job placements unless otherwise specified. Article 33 describes the entitlements for temporary employees. Employees on leave (e.g. LTD) or on foreign assignments will be neither advantaged nor disadvantaged upon return from the leave.

64.1.1 Preference for Regular Employees

Surplus regular employees will be retained in preference to temporary employees under the following conditions:

- within the same Unit of Application;
- where the regular employees are qualified to perform the work and are able to perform the job within a reasonable period of time given the length of the assignment;
- where the work is normally performed by Society-represented employees.

Therefore, when there are both regular and temporary employees within the same Unit of Application and a surplus arises, the surplus regular employees will be retained over the temporary employees, if the conditions above are satisfied.

In situations where there are surplus regular employees, they will be used in preference to temporary employees, if a temporary requirement arises and if the above conditions are satisfied.

64.1.2 Grievability/Arbitrability

Employees may use the grievance/arbitration procedure to appeal decisions of the joint teams referred to in this Article if they believe they have been treated unfairly. JRPT decisions and processes are grievable. It is expected that the parties will support their decisions and recommendations. This is not intended to prevent the parties from jointly agreeing to change their decisions and recommendations. The recommendations and decisions by other Joint Redeployment Planning Teams and other Joint Reasonable Offer Teams are without prejudice and cannot be used as precedents in grievance arbitration. Any agreements reached by the parties within the scope of Article 64 are neither grievable nor arbitral.

64.2 Preamble and Principles of Operation

It is intended that the parties will make their best efforts to interpret, apply and administer the provisions of this Article to reflect a balance among the principles set out below and throughout this Article.

The parties are committed to sustaining a work climate that supports a high level of employee commitment, performance and job satisfaction. The following principles reflect our underlying values and beliefs and provide the direction on which this Article is founded:

- 64.2.1 Career change should be expected and viewed positively.
- 64.2.2 Individuals are responsible for their own career decisions and should be involved in developing options affecting their careers.
- 64.2.3 Hydro One and The Society recognize the value of retaining, utilizing and enhancing the asset of employee skills and abilities.
- 64.2.4 Redeployment issues will be discussed openly and employees and their representatives should be involved in these discussions as early as possible.
- 64.2.5 Employees will be provided with access to opportunities for learning and development and will take a proactive role in their development to prepare for the future.
- 64.2.6 It is in the best interests of both our customers and our employees for Hydro One to be a viable and healthy business entity.
- 64.2.7 Redeployment policies must reflect a balance between the fundamental interests of Hydro One and its employees.
- 64.2.8 Employees will be treated fairly and with respect and dignity.
- 64.2.9 Hydro One and The Society recognize that there will be competing individual interests and will structure redeployment strategies which will minimize the occurrence of that competition and its negative impact.
- 64.2.10 A commitment to short and long range planning is critical for the effective and efficient utilization and deployment of employee skills.

64.3 Definitions

- 64.3.1 “ADVERSE IMPACT” shall mean that, as a result of a Hydro One business decision, an employee does not have an ongoing position for which he/she is qualified or for whom the only available ongoing position for which he/she is qualified represents a demotion and for which he/she has not voluntarily applied.
- 64.3.2 “ALLOCATION” shall mean the lateral placement of an employee into an ongoing position where the exercise of employee choice is not required on the basis of the rules set out in Subsection 64.7 and there is no adverse impact.

- 64.3.3 "BASIC PAYMENT IN LIEU OF NOTICE" shall mean 24 weeks.
- 64.3.4 "CHANGE OF EMPLOYER" shall mean any sale, lease, transfer or any other transaction between Hydro One and any other entity, by virtue of which the ownership or control over any part of the company's business or assets becomes held by such other entity and some or all of the Company's employees become employees of a new employer as part of the commercial transaction.
- 64.3.5 "CONSENSUS" shall mean an agreement on a given issue that all parties to the agreement can live with and publicly support.
- 64.3.6 "DECLARED SURPLUS" shall mean that the employee has insufficient seniority and/or qualifications to be matched to an ongoing position that is deemed to be a reasonable offer in his/her unit of application.
- 64.3.7 "INCUMBENCY" is a concept that will be used as a part of a redeployment process. An employee may be identified as an incumbent only if the position meets the following criteria:
- the majority of the core functions/key accountabilities are the same⁷;
 - unchanged location;
 - unchanged hours of work;
 - unchanged salary grade or where the salary grade increases as a result of the prospective addition of duties/accountabilities pursuant to Clause 66.3.1.c.
- 64.3.8 "LATERAL POSITION" shall mean a job paid from:
- a) the same salary schedule and is the same salary grade as the employee's current grade;
 - or
 - b) a different salary schedule in which the salary level is equivalent to the employee's current job measured by salary grade Reference Points (100%).
- 64.3.9 "LATERAL PLACEMENT" shall mean the placement of an employee into an ongoing lateral position or into an ongoing position that is upgraded pursuant to Clause 66.3.1.c.
- 64.3.10 "MAPPING" shall mean the lateral placement of an employee into an ongoing position where the exercise of employee choice is required on the basis of the rules set out in 64.7 and there is no adverse impact.
- 64.3.11 "ONGOING POSITION" shall mean an assignment other than a relief of rotational assignment. An employee's ongoing position determines his/her base jurisdiction for the purposes of employment continuity and other entitlements (see Article 5).
- 64.3.12 "PRIORITY CONSIDERATION" shall mean an obligation to select the most suitable candidate from amongst the qualified surplus applicants for advertised vacancies for whom the vacancy represents a lateral or lower-rated position. If there are no qualified surplus applicants Management is then obliged to select

⁷ The operational meaning as determined by the JRPT in adverse impact situations.

the most suitable candidate from amongst those surplus applicants who can become qualified in a reasonable period of time. "Priority consideration" is provided to surplus employees.

- 64.3.13 "PROMOTION" shall mean a position in which the demands and responsibilities are greater than in the employee's current job and the position is a minimum of one salary grade higher than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade higher if rated on a different salary schedule.
- 64.3.14 "QUALIFIED" shall mean having the qualifications and experience required to perform the job within a reasonable period of time, normally not expected to exceed six months.
- 64.3.15 "REDEPLOYMENT" shall mean the staffing of new or changed organizations in accordance with the provisions of this Article.
- 64.3.16 "SENIORITY" shall mean all prior service with Ontario Hydro *and* Hydro One or other eligible seniority as per the transition provisions in Section 9.3 regardless of breaks in employment, employee category and/or bargaining unit/representational status. Regular employees who currently work reduced hours or have done so in the past, will have such service calculated as if it were full-time. In the event that a contractor is determined to be dependent, service shall be counted from the date of a declaration of dependent contractor application to the OLRB or the date of joint agreement between Hydro One and The Society regarding contractor status.
- 64.3.17 "SERVICE" for the purpose of calculating severance shall mean the employee's Established Commencement Date (ECD) and does not include any external experience credits. Employees who have received severance pay under this Article shall not be entitled to the service used to calculate previous severance pay in any future employment with Hydro One.
- 64.3.18 "SERVICE BASED PAYMENT IN LIEU OF NOTICE" shall be based on the surplus employee's Service Recognition Date (SRD) plus External Experience Value (EEV).
- 64.3.19 "SUBSIDIARY COMPANY" shall mean a Hydro One subsidiary or holding company.
- 64.3.20 "VACANCY TRANSITION PHASE" (VTP) shall mean a period not to exceed six weeks following the conclusion of a mix and match during which vacancies are unfrozen and surplus employees who elect to remain for this phase have the right to priority consideration for vacancies in accordance with Subsection 65.6.3.

64.4 Notification and Involvement of The Society

64.4.1 Principle of Prior Involvement

Prior to making final decisions on significant organizational or operational changes that have an adverse impact on the employment continuity of Society-represented employees, Hydro One will establish a team in a timely manner

which will include representatives appointed by The Society. The team will examine how the organizational or operational change will be implemented and will strive to develop mutually acceptable recommendations in a timely manner for the appropriate level of Management based on this examination.

64.4.2 Involvement

The Society will be involved in all decisions respecting how Society represented employees are treated with respect to this Article.

There are two levels of involvement in this Article. They are as follows:

a) Joint Consultation

Hydro One and The Society will discuss the issue and attempt to reach a jointly acceptable course of action.

Failing an agreement, Hydro One will make the final decision.

b) Joint Recommendation

Hydro One and The Society will attempt to reach consensus on an issue that will form the basis of a recommendation to senior management.

In the event a JRPT does not reach consensus on the appropriate Unit of Application, the default Unit of Application defined pursuant to Subsection 64.10.1 will be used. Other outstanding issues will be submitted by either party to a standing arbitrator.

64.5 Application

64.5.1 This Article applies to all situations where:

- There is a change of employer for employees; and/or
- The employment continuity of employees is adversely impacted; and/or
- Positions with incumbents are transferred within/between subsidiary companies, relocated or significantly changed (e.g., a change to job duties and/or skills/qualifications and/or rate as covered in the job document) but where no adverse impact results with the following exception: where positions with incumbents are transferred to a different organizational unit and/or line of business and there are no changes in: a) location (i.e. regular work headquarters); or b) job document and/or job ratings; or c) hours of work.

These impacts may arise due to organizational and operational changes that include technological changes, workload changes, business process re-engineering and other circumstances.

64.5.2 Where there is no adverse impact, the provisions of 64.7 shall apply.

64.5.3 Where there is adverse impact, the provisions of 64.8 to 64.15 inclusive shall apply.

- 64.5.4 Where there is a change of employer, the provisions of 64.6 shall apply.
- 64.5.5 Hydro One shall consult with the Society regarding the applicable redeployment process (i.e., whether to use the “adverse impact” or the “no adverse impact” track) prior to redeploying employees.
- 64.5.6 Exceptions to mandated “freezes” on filling vacancies in the “change of employer”(Subsection 64.6.6) and “mapping” (Clause 64.7.6.2) processes may be permitted where the parties mutually agree.

Change of Employer

64.6 Change of Employer

- 64.6.1 This Section shall apply where there is a change of employer for some or all employees.
- 64.6.2 Hydro One recognizes the importance of securing for employees opportunity for continuing employment with the new employer and will endeavour to secure such opportunity for employees with the new employer.
- 64.6.3 In addition to Article 11, at the earliest possible time prior to the transaction, Hydro One further agrees that it shall provide in writing to the Society all available information relating to the new employer that is relevant to employees to the extent that circumstances reasonably permit. The Society agrees that confidentiality will be maintained.
- 64.6.4 Until such time as staff positions and numbers to be transferred to the new employer are provided to the Society, employees may apply to vacancies in accordance with the Collective Agreement. All applications from employees (“affected employees”) in the affected businesses or assets for laterals and demotions will be processed and considered unless the move would seriously jeopardize the viability of the work unit.
- 64.6.5 Hydro One will provide the Society with a listing of the potentially affected employees, positions and numbers to be transferred to the new employer as soon as possible. This listing will specifically identify any employees who are from an acquired municipal electrical utility (MEU) and who have been provided

- 64.6.5 with a period of employment protection under the Hydro One Acquisitions Letter of Understanding (LOU#7).
- 64.6.6 Commencing on the date that Hydro One provides the information described in Subsection 64.6.5, displacements into and selections into or out of the affected businesses or assets shall cease.
- 64.6.7 Where the number of affected employees exceeds the new employer's needs or where there is adverse impact, the following shall apply:
- 64.6.7.1 Article 64.8 shall apply to affected employees.
- 64.6.7.2 Where there continues to be adverse impact, affected employees will be placed through an expedited mix and match process in accordance with Sections 64.9 to 64.10.3. Where there is no adverse impact, the provisions of Subsection 64.6.8 shall apply. Affected employees who are placed in positions with the new employer through the mix and match process will transfer to the new employer.
- 64.6.7.3 Affected employees who are not placed pursuant to Clause 64.6.7.2 will be redeployed in Hydro One in accordance with the applicable provisions of this Article (i.e., either the "no adverse impact" or the "adverse impact" tracks).
- 64.6.7.4 Where the number of affected employees does not exceed the needs of the new employer or where there is no adverse impact for these employees, affected employees will be redeployed into positions with the new employer in accordance with Section 64.7.
- 64.6.7.5 Except for employees who terminate pursuant to Section 64.8, employees who refuse to accept a placement with the new employer in accordance with the applicable process (i.e., Subsection 64.7.5 for employees who are allocated, Clause 64.7.6.9 for employees who are mapped, and Sub-clause 64.10.3.v.9 for employees who are mixed and matched by a JRPT) shall be deemed to have voluntarily terminated Hydro One without severance.
- 64.6.7.6 Where as a result of the transfer of employees to a new employer an adverse impact arises for employees remaining at Hydro One, the latter shall be redeployed in accordance with the "adverse impact" provisions of this Article.
- 64.6.7.7 The Society agrees that no grievances under the Ontario Labour Relations Act or any other applicable legislation will be undertaken as a result of the implementation of this Section other than to enforce its terms.

No Adverse Impact

64.7 Allocation/Mapping

- 64.7.1 Where Hydro One redeploys employees and there is no adverse impact, employees shall be either allocated or mapped in accordance with the rules set out in this Subsection.
- 64.7.2 Hydro One shall consult with the Society prior to determining whether employees shall be allocated or mapped. Process decisions shall be communicated to the affected employees as soon as possible.
- 64.7.3 Employees shall be allocated where a whole work group/single classification is being transferred to a different organization and/or location and none of the conditions listed in Subsection 64.7.4 apply.
- 64.7.4 The conditions under which employees shall be mapped include any one of the following:
- A work unit or function is split within or between subsidiary companies; and/or
 - Relocations are required involving positions with the same classification with more than one regular work headquarters; and/or
 - Where there are a different number of incumbents than positions for which incumbency rights can be exercised; and/or
 - Multiple qualified candidates for a lateral placement.
- 64.7.5 Where employees are to be allocated, the following rules shall apply:
- All employees shall be allocated;
 - Employees shall “follow their work”;
 - The placement of employees shall be reasonable within the meaning of Subsection 64.11.3. Employees who refuse to accept their placement offer shall be deemed to have voluntarily terminated employment with Hydro One without severance.
- 64.7.6 Where employees are to be mapped, the following rules shall apply:
- 64.7.6.1 The redeployment of employees shall take no longer than four (4) weeks from the date when Hydro One finalizes its organization.
- 64.7.6.2 During the mapping period all vacancies within the affected Division shall be frozen except pursuant to Clauses 64.7.6.6 or 64.7.6.10. Division shall mean the Divisional Default Unit of Application as defined pursuant to Subsection 64.10.1.
- 64.7.6.3 All employees shall be mapped.
- 64.7.6.4 Wherever possible, employees shall “follow their work”.

- 64.7.6.5 Employees may be promoted in the mapping process pursuant to Clause 66.3.1.c or where there are essentially no lateral placement opportunities or where the employee has been previously demoted through the application of Article 64 and no displacement of another employee will result.
- 64.7.6.6 Positions that do not have an incumbent or for which there are no qualified candidates for lateral placement within the affected organization will be filled through the advertised vacancy process pursuant to Section 65.6. The posting period shall be one week. Selections to these positions will be made before finalizing mapping decisions.
- 64.7.6.7 Under any of the conditions listed in Subsection 64.7.4 or otherwise where it is determined that employees shall be given the opportunity to express their preferences, subject to unit viability, "senior choice, junior force" shall apply. Employees shall have five (5) working days to submit their preferences.
- 64.7.6.8 If an employee is not an incumbent or following his/her work, he/she may request in writing a review of where he/she has been "draft mapped". The Society and management will expeditiously jointly review this request and may make mapping amendments as necessary.
- 64.7.6.9 Placement offers shall be reasonable within the meaning of Subsection 64.11.3. Employees who refuse to accept a placement where he/she is the incumbent or where the assignment is reasonable may be deemed to have voluntarily terminated employment with Hydro One without severance.
- 64.7.6.10 Positions unfilled at the conclusion of the mapping process shall be advertised in accordance with Article 65.

Adverse Impact

64.8 Voluntary Surplus

In circumstances where Management is aware that job loss may occur, subject to work unit viability Hydro One will allow for voluntary termination by an employee in the affected work group. In such cases, employees who terminate their employment, will be entitled to 100% of their own basic and service-based payment in lieu of notice and severance entitlements, plus an additional week of severance for each completed year of service, to a maximum additional payment of 26 weeks' pay. The combined total of the employee severance entitlement, plus the additional week under this Section cannot exceed 78 weeks. The combined total of the payment in lieu of notice and severance entitlement cannot exceed 138 weeks. With the agreement of the Society, Hydro One may offer voluntary separation incentives such as focused pension incentives, retirement bridges etc.

Subject to any Canada Revenue Agency (CRA) rules and regulations, an employee may:

- Transfer a portion of any monies received into a RRSP; and/or

- Elect to receive his/her payment in one (1) lump sum or two (2) equal instalments over 2 consecutive calendar years. Where the employee elects two (2) instalments, Hydro One will make the 2nd payment within the first half of the 2nd year.

64.9 Set Up Joint Redeployment and Planning Team

Hydro One shall decide the organizational structure required to carry out approved work programs.

Hydro One and The Society will appoint an equal number of representatives to the Joint Redeployment and Planning Team (JRPT). This team will develop a redeployment plan which minimizes to the extent possible the effect on and number of employees to be declared surplus, consistent with the need to carry out Hydro One's work and will be responsible for overseeing its implementation. The team is also responsible for communications to affected staff. The Joint Redeployment and Planning Team will develop its recommendations/decisions by consensus using problem solving techniques.

Senior Management (e.g., Directors, General Managers) shall meet to discuss with the Joint Redeployment and Planning Team the number and type of positions that will no longer be required.

64.10 Joint Planning - Responsibilities of the JRPT

- a) The Joint Redeployment and Planning Team will prepare a report including decisions with respect to:
 - (i) The Unit of Application for identification of surplus staff;
 - (ii) The name of the standing arbitrator and outline of arbitration process;
 - (iii) The process and strategies used for redeploying staff within the Unit of Application;
 - (iv) The preparation of seniority lists and identification of surplus staff;
 - (v) Identification of separation incentives for the purpose of minimizing involuntary terminations.
 - (vi) The timetable of events, including specified deadlines, to ensure that the process is completed within the contractual timeframe.
- b) Respond to questions and grievances related to its process and decisions.
- c) Ensure that purchased services contracts are reviewed by Hydro One throughout the redeployment process.
- d) Appoint JROT members.

64.10.1 Unit of Application

64.10.1.1 Definitions

Unit of Application shall mean the organizational unit (e.g., Department, Division, Business Unit, Subsidiary or a cross Hydro One grouping) in which seniority and the identification of surplus staff shall be administered.

Business Unit shall mean the organizational unit under a subsidiary President/CEO.

Division shall mean an organizational unit under a direct report to a subsidiary President/CEO.

64.10.1.2 Size of the Unit of Application

In determining the size of the unit for purposes of identifying who is surplus, the parties will be governed by the following:

- The size of the unit will be sufficiently large to provide a fair means for identifying the surplus employee(s).
- The size of the unit will be sufficiently small to minimize the disruption to both the employee and the work to be done.

A joint recommendation will be made in determining the size of the unit of application.

64.10.1.3 Default Unit of Application

Should the parties not agree to the size of the unit of application for the identification of surplus, then the unit size will be the Business Unit with this exception:

Where fewer than 10% of Society-represented employees in a Business Unit, and fewer than 20% of The Society-represented employees in the Division are adversely affected, then the default Unit of Application will be the Division.

64.10.1.4 Unit of Application Beyond the Business Unit

A JRPT may jointly recommend to a Vice-President or General Manager (or equivalent) that the Unit of Application should be expanded beyond the Business Unit in a surplus situation. If the recommendation is approved, the recommendation will be jointly discussed with the Business Unit(s) into which expansion of the Unit of Application has been recommended. If no jointly agreeable solution is achieved at this stage, the recommendation may be brought by either party to the Society-Hydro One Issues Team ("Issues Team") for consideration and resolution. In appropriate circumstances (e.g., Corporate Functions, Multiple Business Unit JRPTs), matters may be directly referred to the Issues Team.

64.10.1.5 With respect to the Hydro One organization effective **April 1, 2016**, the default Units of Application shall be defined pursuant to the chart found at Appendix VII.

64.10.1.6 Where organizations have been split and adverse impact subsequently arises in any receiving unit with respect to the functions of these organizations, the default Unit of Application shall

consist of the functions from the old organizational unit and new organizational units if applicable.

- 64.10.1.7 Employees covered by the FM&P Letter of Understanding dated July 2, 1996 will have a Unit of Application that consists of Hydro One.
- 64.10.1.8 All employees will normally be assigned to one and only one unit of application.
- 64.10.1.9 Where Hydro One establishes organizational units which do not clearly fit the definitions contained in the unit of application default provisions, the matter of the appropriate unit of application will be reviewed by the Issues Team. The Issues Team will make a decision which ensures that surplus rights are fairly applied.
- 64.10.1.10 In the event of a change during the term of the Agreement that cannot be resolved by the parties, the following dispute resolution will be used:
- a) The parties shall exchange written briefs within 10 working days of reaching impasse on the matter.
 - b) A mutually agreed arbitrator shall decide the matter within 10 working days after the briefs have been exchanged. The arbitrator has all the powers under the applicable Labour Relations Act.
 - c) The arbitrator shall hear the matter in the most expeditious manner possible, and shall only hear oral evidence where he or she determines that it cannot be determined on the basis of the written briefs and oral submissions.
 - d) The arbitrator shall issue an award within 5 working days of the hearing, setting out the default unit of application.
 - e) The JRPT shall continue to function and develop other elements of its report pending determination of the default unit of application through this process, and the outcome of this process does not preclude the JRPT from achieving consensus on a unit of application notwithstanding the arbitrator's award.
 - f) This process does not prejudice or waive any grievance rights under this Article, but the arbitrator's award on the default unit of application cannot be grieved.

64.10.2 Process for Staff Changes - Mix and Match

The Joint Redeployment and Planning Team will develop the mix and match procedures to fill positions in the new organizational structure from employees within the Unit of Application. The intent is to sort employees within the Unit of Application among the jobs in the new organization on the basis of qualifications and seniority. In the event there are no qualified employees from the Unit of Application, the positions will be advertised in accordance with Article 65.

JRPTs are expected to keep accurate records of the reasons for deeming employees not qualified. Upon request, the employee will be provided with the written reasons for being deemed not qualified.

64.10.2.1 Mix and Match Rules

- 1) No promotions except as specified, i.e., only laterals or demotions are permitted in a mix and match process. (Note: Exceptions are described in 64.10.2.1 (11) and 64.10.4 and includes prospective reclassifications pursuant to Clause 66.3.1.c).
- 2) Applies within the affected Unit of Application except as specified at Rule 13.
- 3) The process must be open and participatory and involve individual employees in planning and an agreed-upon form of posting within the Unit of Application.
- 4) In the event there are more qualified candidates than positions available in the new organization, then the most senior of the qualified candidates will be selected to fill the positions.
- 5) If a job offer is found to be unreasonable by the Joint Reasonable Offer Team, then the JROT will re-examine the match. If no reasonable job is available, then the employee will be declared surplus with full entitlements.
- 6) Employees who accept a lower-rated position or who experience a reduction in hours of work as a direct result of Mix and Match will be entitled to the provisions of 64.12 "Compensation".
- 7) Pregnancy Leave and Paid Parental Leave
The employee should be treated as though he/she is at work.
- 8) Other Leaves/Absences
The employee will under normal circumstances participate in the Mix and Match process.
- 9) Out-of-Province Assignments
Refer to 6.4 "Employment Continuity during Temporary Out-of-Province Assignments".
- 10) Temporary Assignments/Rotations
Employees will exercise the redeployment rights applicable to their ongoing positions.

11) Employees Previously Demoted via Article 64

An employee previously demoted through the application of Article 64 is eligible for consideration at up to his/her previous higher level during a subsequent Mix and Match subject to the following:

- The subsequent Mix and Match (i.e., upon approval of the first report) must occur within two years of the date that the employee reported to the lower-rated position.
- Displacement of another employee at a level higher than their current level is not permitted.

12) Promotion-in-Place Programs (PIPs)

- a) Employees in a PIP will be retained in their PIP (should it continue to exist) based on seniority, subject to item (d) below.
- b) Employees in non-PIP positions or in other PIPs will be considered for PIP positions subject to the following:
 - i) for lateral or lower-rated levels of the PIP only;
 - ii) must be minimally qualified at the entry level of the PIP;
 - iii) able to achieve the terminal level of the PIP;
 - iv) placement is based on seniority.
- c) Employees in a PIP position will be considered for non-PIP positions for which they are qualified, subject to the following:
 - i) considered for lateral or lower-rated positions;
 - ii) placement is based on seniority.
- d) Hydro One may determine a minimum number of employees qualified at the terminal level of the PIP at an appropriate work unit level (e.g., Division, Department, Section).

13) Any employee may be matched to a vacancy for which he/she is qualified outside of the Unit of Application based on other Mix and Match rules provided that no displacement of another employee results.

64.10.2.2 Available Options if Employee Refuses a Job Offer

An employee who rejects an offer that is upheld by the Joint Reasonable Offer Team (refer to 64.11.3) as reasonable must, within 48 hours of being advised of the decision, choose between options (a) or (b) as follows:

- a) Accept job offer; or
- b) Confirm refusal and terminate with 75% of lump sum payments pursuant to Clause 64.13.2.2.

Exception: Employees who have been demoted as a result of the direct application of Article 64 and who, in a subsequent mix and match, face a demotion again due to the direct application of Article 64 will be allowed to choose between accepting the demotion or being declared surplus with full entitlements. They will not be required to submit to the JROT process.

64.10.2.3 Refusal of an Incumbent Position

Where an employee has been declared to be an incumbent to a position by the JRPT, he/she will not be entitled to file a challenge with the JROT in relation to the incumbent position. If the employee does not accept a match to his/her incumbent position, he/she may be deemed by Management to have voluntarily terminated his/her employment with Hydro One.

64.10.3 Sequence of Events

The following process shall apply in situations where an adverse impact arises:

- (i) Where the number of employees exceeds Hydro One's needs, Section 64.8 will apply.
- (ii) The filling of Society-represented vacancies pursuant to Subsection 65.6 shall be frozen across Hydro One during the mix and match period. These vacancies will be unfrozen when the mix and match is concluded and surplus employees (if any) are identified.
- (iii) The mix and match process will take no longer than 4 weeks. Prior to the beginning of the 4 week period, Management will provide the JRPT with the following information:
 - Details on the new organizational structure at a detail level that will indicate the classification, location, number of positions in the new organization;
 - A seniority list by pay grade and occupation code;
 - Identification in writing of the qualifications and selection criteria for positions without incumbents, for the affected work group.
- (iv) A standing arbitrator will be appointed at the beginning of each mix and match.

(v) The mix and match process will involve the following steps with viability check after each step:

1. Incumbent matching
2. Matching to lateral vacancies in the same location (Volunteer/Force)
3. Volunteering for location change and/or a demotion.

(Note: Steps 1, 2 and 3 require organizational charts only within the work group. Steps 1-3 only apply to the new/changed organization).

4. Matching to lateral vacancies in another location in Hydro One (Volunteer/Force).
5. Displacement on the basis of seniority and qualifications to the most junior lateral first in the Unit of Application
6. Matching to demotion vacancies descending within salary grades in Hydro One (Volunteer/Force)
7. Displacement on the basis of seniority and qualifications to the most junior demotion (descending within salary grades) in the Unit of Application.

(Note: Steps 4, 5, 6 & 7 do not require organizational charts).

8. If unable to be placed through any of above steps, the employee will be declared surplus.
9. Subject to subsections 64.11.3 and 64.10.2, employees who refuse a placement in the above process will be considered to have resigned from their employment.

64.10.4 Identification of Surplus Employees

The Joint Redeployment and Planning Team will compare the seniority of employees performing work that requires substantially the same qualifications and experience. In addition the team will compare the qualifications and experience of displaced employees with the qualifications and experience required by lateral or lower rated positions in the Unit of Application and retain the most senior at that level in descending order. Through this process the Joint Redeployment and Planning Team shall decide by consensus which employees within the Unit of Application have greater seniority and shall be retained to fill the ongoing positions and which employees have least seniority and shall be declared surplus subject to (a) and (b) below.

Seniority rights apply to lateral and lower rated positions but are not applicable to higher rated positions except for prospective reclassifications pursuant to Clause 66.3.1.c. The exception to this can occur where there are essentially no lateral or demotional positions with respect to which an employee can exercise his/her Employment Continuity rights and where the JRPT believes there are reasonable opportunities for promotion. The JRPT will identify the individual employee(s) or categories of employees facing these circumstances and the positions or categories of positions that represent promotional opportunities.

Employees who are not supervisors shall not exercise their seniority and displace supervisory employees with respect to supervisory positions unless they have supervisory qualifications. Employees who are not First Line

Managers (FLM) shall not exercise their seniority and displace FLM employees with respect to FLM positions unless they have FLM qualifications.

Employees in positions covered by Article 25 (“trainees”) will not normally have their seniority considered with employees from Salary Schedules 01 or 02. The Joint Redeployment and Planning Team may decide on exceptions when trainees have achieved at least Step 2 and have greater seniority than entry level employees on Salary Schedules 01 or 02 or where Article 25 is being used as a salary bridge for employees selected to Salary Schedules 01 or 02 positions.

For the purposes of Subsection 65.6.3 where the Joint Redeployment and Planning Team has agreed to make exceptions based on the above circumstances, such trainees will have priority consideration in the same manner as other Salary Schedule 01 or 02 surplus employees. Where the Joint Redeployment and Planning Team does not accept that the circumstances warrant exceptions, surplus trainees will have priority consideration for MP2 and equivalent or lower rated vacancies following consideration of the surplus regular employees from within the bargaining unit and before the applications of all other employees.

Employees from outside of the bargaining unit shall not displace Society-represented employees.

In the event that the team is unable to reach consensus on the identification of surplus employees, Hydro One will determine who is declared surplus in accordance with the provisions of Subsection 64.10.4.

a) Viability of the Work Unit

If the ability of the organizational unit to adequately perform its functions is placed in jeopardy by the application of seniority, the Joint Redeployment and Planning Team may decide to protect sufficient lesser service employees to restore the viability of the organizational unit. If the team is unable to reach consensus, then Senior Management (e.g., Directors, General Managers) will decide. In situations where junior staff are protected by the implementation of this Subsection, and where the Unit of Application is smaller than a Business Unit, greater service employees who cannot be placed as a result of such protection shall have the right to have their seniority applied across the Business Unit.

b) Employment Equity

If employment equity programs will be seriously set back, the Joint Redeployment and Planning Team may by consensus agree to protect sufficient lesser service employees in order to prevent such a set back from happening and extend the same provisions as set out in (a) above. This provision is not intended to further or enhance employment equity initiatives. Where the team has not reached consensus on the need to protect lesser service employees because of employment equity concerns, then the normal rules for identifying surplus employees on the basis of seniority will apply as outlined above in Subsection 64.10.4.

64.10.5 Declared Surplus

Employees declared surplus will receive written notice. The written notice shall contain:

- The cause of the surplus.
- A reference to this Article.
- The expected expiration date of the “vacancy transition phase”.
- The right to Hydro One wide priority consideration for vacancies in accordance with Subsection 65.6.3 if the employee elects to remain for the “vacancy transition phase” or elects to receive his/her severance payment in weekly instalments to a maximum of one year.
- An election form that the employee is required to fill out and return within three (3) working days indicating whether or not he/she wishes to remain for the “vacancy transition phase” or to terminate immediately.
- The total monetary value of the payment in lieu of notice and severance entitlements.
- The anticipated date the employee will vacate his/her position.

64.10.5.1 Voluntary Surplus

An employee from the affected unit of application who would not otherwise be surplus may volunteer to be declared surplus, subject to the following:

- a) The withdrawal of surplus status will be offered in seniority order to those surplus employees who are qualified to perform the duties and responsibilities of the position of the employee who is volunteering.
- b) The surplus employee will not be considered for a promotion, but may be considered for a promotion-in-place position.
- c) This must result in the withdrawal of surplus status from the surplus employee.
- d) The employee who is volunteering to be surplus will assume the surplus entitlements of the surplus employee who has his/her surplus status removed. A JRPT may recommend that different entitlements be made available to employees volunteering to be surplus.
- e) The exchange of employees arising out of the application of these provisions is subject to the approval of Hydro One. The decision to approve (or disapprove) will be on the basis of further disruption to the work of the affected work unit.

64.10.5.2 Vacancy Transition Phase (VTP)

Employees who are declared surplus have the option of remaining on payroll for the "vacancy transition phase", which will last for a maximum of six (6) weeks. During the VTP, vacancies frozen at the beginning of the mix and match will be unfrozen and management must finalize the selections for these vacancies by the end of this period. The posting period will be one week. Surplus employees who remain during the VTP will have priority consideration for vacancies in accordance with Subsection 65.6.3. Subject to Section 64.14, surplus employees who remain during the VTP who have not accepted an offer of a position by the end of the VTP will be terminated. Surplus employees terminated at the end of the VTP will have their entitlements calculated as of the date of surplus declaration (e.g., the period on payroll during the VTP will be deducted from the severance and in lieu of notice payment on termination).

Employees who elect not to remain on payroll during the VTP will be terminated immediately and receive payment in accordance with Section 64.13.

64.11 Job Offers

64.11.1 Acceptance/Rejection of Job Offers

A surplus employee will have up to 7 calendar days to accept or refuse an offer of a position.

64.11.2 Assessment of Suitability

If there is more than one applicant for a vacancy within The Society's jurisdiction, the applicants will be considered in the priority set out in Subsection 65.6.3.

Within each category the most suitable candidate will be selected.

64.11.3 Reasonable Offer Challenge Process

A Joint Reasonable Offer Team (JROT) will be established for each Unit of Application established under this Article.

This team will resolve employees' appeals arising from offers made during the mix and match process.

The team will meet and make a decision within three (3) working days of receipt of the appeal. The decision will become part of the JRPT final report recommendation.

It will take into consideration items such as job level, geographical location, responsibilities, status, health, family, legal precedents, community standards and past practices.

The team will be made up of two employees representing Hydro One and two employees representing The Society. The members of the team must be different than those on the Joint Redeployment and Planning Team. The team's membership composition should avoid conflict of interest.

The surplus employee is responsible for presenting his/her own case.

64.12 Compensation

64.12.1 Salary Maintenance

64.12.1.1. The surplus employee's base rate of pay will be maintained, including economic increases and special allowances in the case of TMS staff (refer to Article 30), until placement or termination.

64.12.1.2 If an employee accepts a position at the same salary level, it will be at the same salary and step placement subject to later performance reviews. Entitlement to special allowances for TMS staff will reflect the conditions of the new position.

64.12.1.3 If an employee accepts placement in a lower rated position his/her current base salary dollars will be frozen until the employee's current pay entitlement as determined from the salary grade and step placement exceeds the frozen level. This salary treatment must be conveyed in writing when the offer is made.

Exception:

An employee who is within three years of eligibility for an undiscounted pension will be entitled to any negotiated economic increases for the period of time prior to qualifying for the undiscounted pension. In the event that the employee does not retire upon qualifying for an undiscounted pension, his/her base salary dollars will be frozen at that time. (This would include any economic increases occurring during the period of time prior to qualifying for an undiscounted pension.) At this point, the normal salary maintenance provisions will apply.

64.12.1.4 Premiums will be calculated on the basis of the step placement assessed for the lateral or lower rated job.

64.12.2 Reduction in Hours of Work

(Applicable to Employees paid from Salary Schedules with base 35-hour workweek)

64.12.2.1 Principles

- Pay should reflect hours worked.
- Pay should reflect the job performed.

64.12.2.2 Where employees move to positions where the normal weekly hours are less than in their former positions, the following will apply:

- a) The Society and Hydro One will attempt to reach a local agreement on a transition which would allow the affected employees to work additional hours above the 35 hour base for an extended period of time with staged reductions.

64.12.2.3 Failing agreement in accordance with Clause 64.12.2.2, the following treatment will apply:

The employee's working hours and salary will be frozen for a six-month period at which point they will be reduced on a pro-rated basis by 2.5 hours. They will be further reduced by increments of 2.5 hours every six months thereafter until such time as the hours of work are the same as that of the new position.

64.13 Compensation on Surplus Termination

64.13.1 Payment in Lieu of Notice Entitlement Calculations

All full-time and reduced-hours employees who are declared surplus will have a payment in lieu of notice entitlement calculated as follows:

- no less than a 24 week basic payment in lieu of notice entitlement;
- plus
- service-based payment in lieu of notice entitlement equal to the sum of:
 - ◆ two (2) weeks per year of service for the first five years of service, and
 - ◆ one (1) week per year of service for service greater than five years, and
 - ◆ employees with relevant previous experience will receive additional service-based job search credits based upon their highest salary grade within one year of hiring in accordance with the following:

Salary Grade Hired Into	Credit
MP1/FMP11/TMS1-2/	2 weeks
MP2/FMP12/ /TMS3/	4 weeks
MP3/FMP13/ TMS4/	6 weeks
MP4/FMP14/ TMS5/	8 weeks
MP5/FMP15/OSS12/	10 weeks
MP6/FMP16/	12 weeks

- For reduced hours employees, the service-based payment in lieu of notice entitlement will be calculated as if all service had been worked full-time.

The total payment in lieu of notice entitlement will not exceed 60 weeks.

64.13.2 Severance, Lump-Sum Payments and Voluntary: Resignation

64.13.2.1 Severance

Severance pay for the purpose of this Article will be calculated, for employees with less than 20 years' service, at a rate of 2 weeks for each year of service at the date of surplus declaration. Employees with a minimum of 20 years of service shall receive severance pay of 3 weeks per year of service at the date of surplus declaration to a maximum of 78 weeks. It will be calculated at the weekly rate for base hours of work for the full-time position (refer to Section 71.2) to the nearest whole month (30 days). Credit will be given on a prorated basis for any service which exceeds a whole year to the nearest whole month (30 days). The relativity allowances paid to TMS staff will be treated as base salary in the calculation of severance for TMS staff.

Severance pay is paid only when employment has terminated.

Persons receiving severance pay will not be considered employees for the purpose of any benefit, service accumulation nor for any other purpose from the day of termination except for recall as per Section 64.15.

The maximum amount of severance is 78 weeks.

64.13.2.2 Lump Sum Payments and Voluntary Resignation

On termination, surplus employees will be entitled to their payment in lieu of notice and severance entitlements in the form of a lump sum payment in accordance with the following:

One hundred percent (100%) of their basic payment in lieu of notice entitlement, plus 100% of their service based payment in lieu of notice entitlement plus 100% of their severance pay entitlement, less any period on payroll during the vacancy transition phase if applicable.

64.13.2.3 Previous Severance and Lump Sum Payment

Surplus employees who have received a payment under a predecessor Article 64 or Agreement S3 will have their severance calculated on the basis of continuous service since the last time severance was paid.

64.13.2.4 Transitional Assistance

On termination, surplus employees shall also be eligible for the following:

- (i) Coverage under Hydro One's Health and Dental Plan for a period of nine (9) months from the date of termination of

- employment or until the commencement of alternate employment whichever occurs first;
- (ii) Reimbursement for tuition fees and other associated expenses up to a maximum of \$4,000.00 upon production of receipts from an approved educational program within 12 months of his/her termination;
 - (iii) Reimbursement of outplacement services up to a maximum value of two weeks' salary (e.g. Outplacement counselling, legal or financial counselling, external job search expenses), upon production of receipts.
 - (iv) Recall and vacancy selection priority rights pursuant to 64.15.

64.13.3 Legal Notice of Termination of Employment

It is agreed that compensation for basic payment in lieu of notice and the service-based payment in lieu of notice is sufficient and full notice as per the requirements of the relevant legislation. This Article meets the requirements of the *Canada Labour Code* for federally regulated employees.

64.14 Termination of Employment

If a surplus employee who elects to remain on payroll during the Vacancy Transition Phase is not placed by the end of this Phase he/she will be terminated with severance pay entitlement as per Sub-clause 64.12.2.2.1 "Severance".

Surplus employees on rotation may continue employment with Hydro One beyond the Vacancy Transition Phase at the discretion of the receiving unit (i.e., the unit with the rotational assignment). Normally the extension will be for the duration of the rotational assignment, but a cancellation provision (minimum of 30 calendar days) may be included as one of the terms of the rotational assignment at the discretion of the receiving unit. For the period of employment following the expiration of the Vacancy Transition Phase, employees will be considered per Clause 65.6.3 (f) for selections to corporate vacancies. The period of employment extension shall not be used for the calculation of any entitlement (e.g., severance and payment in lieu of notice) under this Article. In all other respects, the affected employees will be treated as regular employees under the Collective Agreement.

Throughout this Article, wherever surplus employees eligible to retire terminate their employment voluntarily or involuntarily, such employees will be entitled to full retirement benefits in addition to full entitlements under this Article.

64.15 Recall Rights

Employees whose employment is about to terminate are entitled to the following:

- a) A terminating surplus employee will be eligible for either:
 - a weekly paid severance payment with entitlements to recall within Hydro One;

or

- a lump sum severance payment with no right to recall.
- b) Terminated surplus employees with more than 3 years' service will be eligible for recall rights for 12 months from the date of their termination. Employees on Schedule 04 or who have less than 3 years' service will be eligible for recall rights for 24 months from the date of their termination.
- c) Former surplus employees with recall rights will be considered for vacancies in the bargaining unit as per Subsection 65.6.3, including their right to grieve non-selection (refer to Subsection 65.6.3).
- d) Weekly severance payments will cease in the event a terminated former surplus employee is rehired.
- e) Severance pay received prior to recall will be subtracted from any future severance pay entitlements under this Article.
- f) Persons on recall are not employees and shall not be entitled to any benefits provided to employees except recall rights as noted above.

64.16 Relocation and Housing Assistance

64.16.1 Hydro One will restructure the cost of relocation so it mitigates the disincentive in the redeployment of surplus staff.

64.16.2 A surplus employee in a community where Hydro One's presence influences the housing market may avail himself/herself of the House Evaluation and Guarantee Plan in accordance with the Hydro One policy.

65 VACANCIES (RELIEF, ROTATIONS AND SELECTIONS)

65.1 Intent

To provide open, fair access to career opportunities and enable Hydro One to optimize staffing requirements over time.

65.2 Definitions

"Relief/Rotations" assignments are short assignments where an individual is assigned duties outside their normal job duties.

"Relief" assignments will mean short term assignments (normally up to 3 months) where an individual is appointed to act temporarily in an ongoing position or which is expected to become an ongoing position. In some cases, the individual may not be required to perform all of the duties and responsibilities of the position.

"Rotations" will mean assignments normally greater than 3 months but not exceeding 2 years in duration (unless there is agreement between the applicable Society representative and the employer) in positions which are not expected to be ongoing.

65.3 Advance Planning

Prior to filling the work assignment, Management will meet with the local Society representative to discuss the nature of the requirement (e.g., relief, rotation) its expected duration, the selection process and whether there is an expectation that the work assignment will result in an on-going position.

65.4 Relief

65.4.1 Relief is used to cover (a) short-term absences for vacation, sickness, relief absences, etc., (b) short-term bridging periods for selection or rotation, and (c) short-term emergency situations.

65.4.2 The process for selecting the employee to fill the relief assignment should be easy and quick and provide a fair opportunity to employees in the work unit to perform relief.

65.4.3 If there is mutual agreement between the applicable Society representative and Management prior to the beginning of the relief assignment, the relief assignment and the incumbent(s) can run for a period of up to one year. In the absence of mutual agreement, the relief assignment is limited to 90 days.

65.4.4 Relief assignments will not be used continuously to avoid advertising either a rotation or an ongoing position.

65.4.5 Pay treatment while on relief will be in accordance with Article 66.

65.5 Rotations Within the Bargaining Unit

(This Article does not apply to rotations outside the unit.)

Rotations are used to accomplish work for situations that occur between short-term relief and on-going positions. At the completion of the rotation, the employee will return to his/her original position or a comparable position normally within the sending unit, except in the circumstances where the employee is surplus (see Article 64).

65.5.1 Principles

Job rotations serve many purposes such as:

- a) to provide development opportunities to employees consistent with their career objectives;
- b) to allow Management to meet temporary work programs and work load requirements;
- c) to manage work performance or to test skills and capabilities where it is believed that an employee's skills and capabilities may be better utilized in another position;
- d) to broaden the experience of employees so that they may better perform their regular jobs;

- e) to provide employees with the opportunity to develop new skills for career advancement or to enhance career options in the case of anticipated redeployment or technological change which could result in skill redundancy or obsolescence;
- f) to meet Hydro One's employment equity objectives;
- g) to provide Management with flexibility in resourcing regular positions as a result of employees being provided rotational opportunities and temporary relief assignments.

65.5.2 Rotations that will last longer than twelve (12) months in duration will be posted. The scope of the posting will be determined by the receiving unit and may be within the Department, Division/Business Unit or Hydro One-wide. Hydro One will post rotational opportunities on the Hydro One website. Rotations that are not posted will not exceed twelve (12) months in duration.

Unless there is mutual agreement, the rotation will not continue beyond two years except where the position is formally identified as an ongoing training position.

A job rotation posting should include basic information such as the position name and location, salary level, a description of required duties, starting date and proposed duration of the rotation.

65.5.3 The optimal selection process is one in which the employee's interest in the job rotation opportunity, the sending unit's ability to release the employee and the receiving unit's interest in the employee coincide. Rotations will be voluntary. All applications for rotations that represent a promotion must be processed unless it is determined that releasing the applicant would seriously jeopardize the viability of the work unit.

The selection process should include the use of formal selection criteria and interviews will be the responsibility of the receiving unit.

65.5.4 Employees selected for rotation will be provided with a letter in advance of the rotation stating the nature, terms and conditions of the assignment, including rotation duration and details of the performance appraisal process. These terms and conditions should be mutually acceptable.

65.5.5 An employee, other than those who are surplus, who accepts a job rotation will be given a guarantee by the sending unit that he/she can return to his/her original position, if available, or to a comparable position normally with the sending unit.

65.5.6 Terms and working conditions while on a job rotation will comply with all applicable Articles in the Collective Agreement concerning pay treatment, overtime, salary progression plan and appraisal process, moving expenses, travel expenses and related Hydro One policies.

65.5.7 Employees should not be restricted from applying to advertised vacancies or from being subsequently released from the rotational assignment if selected where the employee is surplus or the vacancy represents a promotion.

65.5.8 Performance feedback is an essential ingredient in any rotational assignment and should be provided during and upon completion of the rotation. A rotation should not normally have a negative effect on an employee's step progression.

65.6 Selections for Ongoing Positions (Other Than Relief or Rotations)

65.6.1 All vacancies for ongoing positions (i.e., assignments which do not fall into the category of relief or rotations) shall be advertised Hydro One-wide unless there is agreement with the applicable Society representative or the following conditions apply:

- a) during implementation of Article 64 (Redeployment, Surplus Staff Procedure and Change of Employer);
- b) laterals or demotions in the case of sickness; employees with disabilities or special needs; employees returning from rotations, LTD, leaves of absence, foreign assignments, secondments/assignments outside Hydro One;
- c) performance management that takes place following consultation with the Society;
- d) ongoing exceptions in specified organizational units where there has been joint agreement by the parties.
- e) "promotions" within a promotion-in-place plan or a proposal which has the joint agreement of the Issues Team in accordance with Subsection 32.3.1. Vacancies for positions in a promotion-in-place plan will be advertised in a manner which informs employees that the position is included in a promotion-in-place plan and that where the best candidate does not satisfy the qualifications or experience required for the end position the employee may be offered the position at a lower rate and be promoted in place.

Employees in categories (a) to (e) in subsection 65.6.3 will be considered at all levels of the PIP prior to those employees in categories (f) to (j) and subject to unit viability. Unit viability which would alter this consideration will be discussed in advance of advertising the PIP.

Exceptions to provide for the advertising of the position at a lower rate than the end position will be permitted by joint agreement between the Society representative and the Business Unit Leader based upon a balanced consideration of:

- future work planning needs
- providing developmental opportunities for lower-rated staff outside of the promotion-in-place plan
- current work requirements
- unit viability and the need to have sufficient number of staff in the end positions.

In such cases, the vacancy notice will state that the position is part of a PIP Plan and surplus employees will be considered for placement at a lateral level.

- f) a regular position currently held by an employee where a job review has resulted in a change in salary schedule and/or salary grade.
- g) to fill vacancies with the same occupation code within six (6) months of the ongoing posting, in which case Management may select from the previous list of candidates, after checking that surplus employees have not become available for consideration since the vacancy was last advertised;
- h) to meet legislative requirements;
- i) pursuant to Section 25.5.

65.6.2 All applications which represent a promotion must be processed.

When an application to an advertised vacancy represents a lateral or demotion to a non-surplus employee, the following will apply:

- a) Applications from employees with less than one year's service in their current position will be processed and considered if the employee's supervisor agrees.
- b) Applications from employees with one to three years' service in their current position will be processed and considered if, in the opinion of the current supervisor and the hiring supervisor, the move on balance would be in the best interest of Hydro One and the employee.
- c) Applications from employees with over three years' service in their current position will normally be processed and considered unless the move would seriously jeopardize the viability of the work unit.

65.6.3 Selection Priority for Vacancies

If there is more than one applicant for a vacancy within the Society's jurisdiction, the applicants will be considered in the priority set out below:

- a) Surplus Society-represented applicants who have elected to remain on payroll for the "vacancy transition phase" for whom the vacancy represents a lateral or demotion including surplus trainees applying for MP2 or equivalent or lower rated positions on Schedules 01 and 02 who have progressed to at least Step 5 and who were mixed and matched with Schedule 01 and 02 employees;
- b) Surplus employees in positions covered by Article 25 ("trainees") who were not mixed and matched with Schedule 01 and 02 employees and who have greater seniority than Surplus Applicants on Salary Schedules 01 and 02 and have elected to remain on payroll for the "vacancy transition phase" will have priority consideration for MP2 and equivalent or lower rated vacancies before the applications from all other individuals other than those in (a) above.

- c) Surplus Management Compensation Plan (MCP) applicants from positions that are excluded from the Society for whom the vacancy represents a lateral or demotion who remain on payroll during the six week period following their surplus declaration.
- d) Surplus terminated persons with recall rights pursuant to Section 64.15.
- e) Rehabilitative employees pursuant to Section 47.5.
- f) All regular Society-represented applicants to the vacancy. This includes applicants from another Society bargaining unit with selection priority pursuant to the transition provisions in Article 9.
- g) Regular MCP applicants.
- h) Temporary employees.
- i) Employees temporarily included in the Society's bargaining unit paying Society dues (See Section 5.2).
- j) Members of other bargaining units who are active employees of Hydro One.
- k) External to Hydro One.

Assessment of the suitability of a surplus employee for a lateral or lower level placement opportunity will include education, experience, personal contribution factors and potential for training to perform the job requirements within a reasonable period of time (e.g. up to six (6) months). A surplus employee who is placed and who requires additional training to perform the job requirements will be provided with assistance to obtain the necessary training and development to perform the new job requirements. Hydro One will restructure the cost of retraining so it mitigates the disincentive in the redeployment of surplus staff.

A determination that none of the applicants in category (a) is qualified or qualifiable within a reasonable period of time is required before considering the applicants from the next category. The same is true with respect to categories (b), (c), (d), (e), (f) (g), (h) and (i). "Qualifiable" means that the employee can perform the job requirements normally within 6 (six) months.

See subsection 65.6.1 for priority consideration of applicants to promotion in place plan vacancies.

Hydro One agrees to grant priority to Society represented employees who are surplus and to those who fall within subsection 65.6.3(e) who apply for positions excluded from all union jurisdictions and for whom the vacancy represents a lateral or demotion, after the consideration of surplus applicants who are excluded from all unions for whom the vacancy represents a lateral or demotion and prior to consideration of all other applicants.

- 65.6.4 In determining who is the best qualified candidate for positions, in each category of subsection 65.6.3, the primary basis for the selection of employees is their assessed capability to perform the necessary work. The selection criteria would normally include but not be limited to the following:
- a) requirements including skill, knowledge, education, experience, transferable/generic skills such as analytical skills, communications skills, project management skills, consulting skills, self-management skills, accountability, responsibility, etc.;
 - b) the candidate's past track record and what she/he brings to the position;
 - c) the candidate's potential to develop competence for more senior positions;
 - d) the need to meet legislative requirements;
 - e) the need to balance the overall requirements of the work unit.
- 65.6.5 Employee selection measures which are used as aids in selection decisions shall be job related and be used in a manner that is fair and equitable to the individuals being assessed. Individuals will be entitled to prior knowledge of the selection criteria and be entitled to information with respect to their performance in the selection process upon request.
- 65.6.6 Some flexibility should be exercised in accepting late applications to advertised vacancies after the closing date in order to permit employees a fair opportunity to continue employment yet still allowing the Business Unit to resource expeditiously.

Where the closing date is FIRM, it must be stated clearly in the vacancy posting that late applications will not be considered.

- a) Surplus and non surplus employees are normally expected to have made application to a vacancy by the closing date.
 - b) It is recognized that in some instances, there will be applications filed after the official closing date. In these cases, unless the closing date is FIRM, late applications must be filed with the advertising location NOT later than the date that the "short list" of applicants is finalized for formal consideration.
 - The term "Short List" refers to the first list of applicants who Management plans to interview for a vacancy.
 - c) Employees who have applied for vacancies and are later declared surplus have until the "short list" date to notify the advertising location of the change in their status.
- 65.6.7 Applicants to advertised vacancies are to be advised of the status of the vacancy (and of their applications) within a reasonable period of time for each successive step they qualify for.

- 65.6.8 Hydro One shall provide copies of all offer letters, including for rotational assignments and new hires, to the applicable Society representative.
- 65.6.9 When outstanding vacancies remain unfilled for longer than six months, employees in the work unit concerned should be advised of the reason for not filling such vacancies.
- 65.6.10 All positions on salary schedules 01, 02, and 03 which are excluded under the Recognition Clause and Band 6 MCP vacancies including rotational opportunities expected to last longer than six months will be posted on appropriate bulletin boards (and through electronic means where possible).
- 65.6.11 Release of Employees Selected to a Vacancy

Intent:

- a) Hydro One will strive to facilitate the expeditious release of employees who are selected to a vacancy.

Normally, employees should be released within 90 days of the vacancy selection. In the event that a release date greater than 90 days appears likely, Management will discuss the reasons for the delay and a release date with the Society.

66 SALARY TREATMENT FOR PROMOTIONS, TEMPORARY ASSIGNMENTS, LATERAL TRANSFERS AND DEMOTIONS

66.1 Definitions

"Promotion": This occurs when an employee is appointed to a position in which the demands and responsibilities are greater than in the employee's current job and the position is a minimum of one salary grade higher than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade higher if rated on a different salary schedule.

"Higher-Rated" Job:

A job paid from:

- a) the same salary schedule and is a minimum of one salary grade higher than the employee's current job; or
- b) a different salary schedule in which the salary level is greater than in the employee's current job, measured by Step 9 salary grade rates.

"Lateral Transfer":

This occurs when an employee is appointed to a job paid from:

- a) the same salary schedule and is the same salary grade as the employee's current job; or

- b) a different salary schedule in which the salary level is equivalent to the employee's current job, measured by Step 9 salary grade rates.

"Demotion":

This occurs when an employee is appointed to a position in which the demands and responsibilities are less than in the employee's current job and the job is a minimum of one salary grade lower than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade lower if rated on a different salary schedule.

66.2 Promotion

- 66.2.1 It is normally expected that an employee will receive a salary increase upon promotion to compensate for the greater demands and responsibilities of the new, or revised, job.
- 66.2.2 A promoted employee will be placed at the step which reflects a reasonable expectation of his/her performance in the new or revised job.
- 66.2.3 It is normally expected that employees who are "green-circled" as a result of the implementation of the new salary progression plan and whose "green-circled" rate is above Step 9 of the rate of the new job will receive a salary increase, to a maximum of 3%, upon promotion.

66.3 Reclassification as a Result of a Job Re-evaluation

66.3.1 Reclassification may occur under several circumstances:

- a) when the salary grade for a job increases with no change in the employee's actual job duties/responsibilities;
- b) when the employee has been and will continue to perform additional job duties/responsibilities;
- c) when additional job duties/responsibilities are to be added to the job.

Reclassification as a result of (a) or (b) above will result in the employee being placed in the same step in the higher salary grade.

Reclassification as a result of (c) above will be considered as a promotion. However, at the next performance appraisal the employee will be eligible to be placed in the same step as before the reclassification.

In circumstances (a), (b) or (c), it is normally expected that employees who are "green-circled" as a result of the implementation of the new salary progression plan and whose "green-circled" rate is above Step 9 of the rate of the reclassified job will receive a salary increase, to a maximum of 3%, upon reclassification.

- 66.3.2 Short-term increases in the employee's actual job duties/responsibilities do not require reclassification but may be subject to the relief provisions of this collective agreement.

66.3.3 Retroactive payments, if any, that result from reclassification either because of a Management or employee-initiated job review will be limited to a maximum of one year prior to the date of the job review request. The employee must have performed the relevant duties and responsibilities which resulted in the reclassification during this period in order to qualify for retroactivity.

66.3.4 Retroactivity which results from a reclassification decision will be paid within 60 calendar days of the decisions (i.e., if no dispute, date of Management decision to implement; if dispute goes to grievance, date of Step 2 decision or date of arbitration award).

66.4 Relief Pay

An employee will receive a salary increase after five (5) consecutive days when temporarily relieving in a higher-rated position or after 10 cumulative working days. Where such increases occur, they will be paid retroactive to the first day of relief. The amount of increase should reflect the increase in job demands and responsibilities. Employees who are "green-circled" as a result of the implementation of the new salary progression plan and whose "green-circled" rate is above Step 9 of the rate of the relief position will receive a salary increase, upon meeting the conditions outlined above, to a maximum of 3%.

66.5 Lateral Transfer

Normally, an employee who is appointed to a lateral position should receive no increase in current pay.

66.6 Demotions

For voluntary demotions, the employee will take the rate of the lower-rated position except as follows:

- Where employee involuntarily demoted pursuant to Article 64, "red-circling" (i.e. the freezing of the employee's base salary dollars) will continue until employee's new pay rate exceeds the frozen level, regardless of the number of appointments.

67 PURCHASED SERVICES

No employee will be laid off as a direct result of contracting out.

68 HOURS OF WORK

68.1 Salary schedule 01 applies to all employees with a 35 hour base work week and to all employees in jobs rated under the Plan A Job Evaluation Manual, with regularly scheduled hours between 35 and 40 hours per week paid on a prorated basis.

68.2 Salary schedule 02 applies to all employees with a 37.5 base work week, with regularly scheduled hours between 37.5 and 40 hours per week paid on a prorated basis.

68.3 Salary schedule 03 applies to all employees with a 40 hour base work week in jobs rated under the TMS Job Evaluation Manual or to which LOU #5 applies.

68.4 Reduction of Hours of Work

Where Management reduces the standard hours of work for a position, the following will apply:

- a) The Society and Hydro One will attempt to reach a local agreement in advance of the change on a transition which would allow the affected employees to work additional hours above the 35 hour base for an extended period of time with staged reductions.
- b) Failing agreement in accordance with (a), the following treatment will apply:
 - i) Where an employee is within 3 years of eligibility for an undiscounted pension, the employee's normal hours of work will not be reduced for 3 years, or until such time the employee is eligible for an undiscounted pension if earlier, and the employee will continue to receive economic pay adjustments. If the employee does not retire upon qualifying for an undiscounted pension, then their hours of work and base rate will be immediately reduced to the hours and rate of the position.
 - ii) For other employees than those in category (i), the employee's working hours and salary will be frozen for a six month period at which point they will be reduced on a pro-rated basis by 2.5 hours. They will be further reduced by increments of 2.5 hours every six months thereafter until such time as the hours of work are the same as that of the new position.

68.5 Hydro One will comply with legislative requirements regarding hours of work.

69 REDUCED BASE HOURS (40 HOUR WORKERS)

The base hours of work for employees whose regularly scheduled hours of work are 40 hours is 39 hours per week.

These employees will continue to work 40 hours per week, banking one hour per week at straight time.

- a) The normal scheduled and paid hours of work will remain at 40 per week.
- b) Overtime rates will be paid for all hours in excess of normal scheduled hours.
- c) Banked time may be taken on such days as the employee and his/her supervisor mutually agree upon following reasonable advance notice on the part of the employee.
- d) Banked time may be taken off in a minimum of half day (i.e. four hour) increments.
- e) Banked time accumulated in a calendar year must be taken by April 30th of the following year.
- f) Where an employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD),

unused banked time entitlement will be assigned on the last working day(s) prior to April 30th.

- g) Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
- h) Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence and parental leave.
- i) When an employee terminates or when an employee is appointed to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.

70 ALTERNATE HOURS OF WORK ARRANGEMENTS

70.1 Principles

- 70.1.1 That any alternative arrangements will positively affect our customers. That cost, quality, service and value are key to our success.
- 70.1.2 That work is best achieved when individuals manage their own time and accept the accountability and the responsibility for the results.
- 70.1.3 That processes for negotiating and establishing hours of work arrangements will be uniform across Hydro One, and accessible to all. The processes will be designed to ensure equitable treatment. However the results of applying the processes may differ from location to location and unit to unit.
- 70.1.4 That decisions should be made at the most appropriate level that is closest to the work being done.
- 70.1.5 That individual concerns will be factored into group proposals and wherever possible, participation in changed hours of work will be on a voluntary basis.

70.2 Application

The procedure described in this Article applies to all forms of alternate hours of work arrangements.

70.3 Definitions

"STANDARD HOURS OF WORK" are to be worked to provide coverage for the business hours. For people assigned to day work, a start time window is established to allow a flexible start-time between 7:00 a.m. and 9:00 a.m. and standard hours will not end after 6:00 pm. They are:

- for 35 hour/week staff - Monday through Friday, 7 hours per day and
- for 37.5 hour/week staff - Monday through Thursday, 8 hours/day and 5.5 hours on Friday and

- for 40 hour/week staff - 8 hours per day, Monday through Friday.

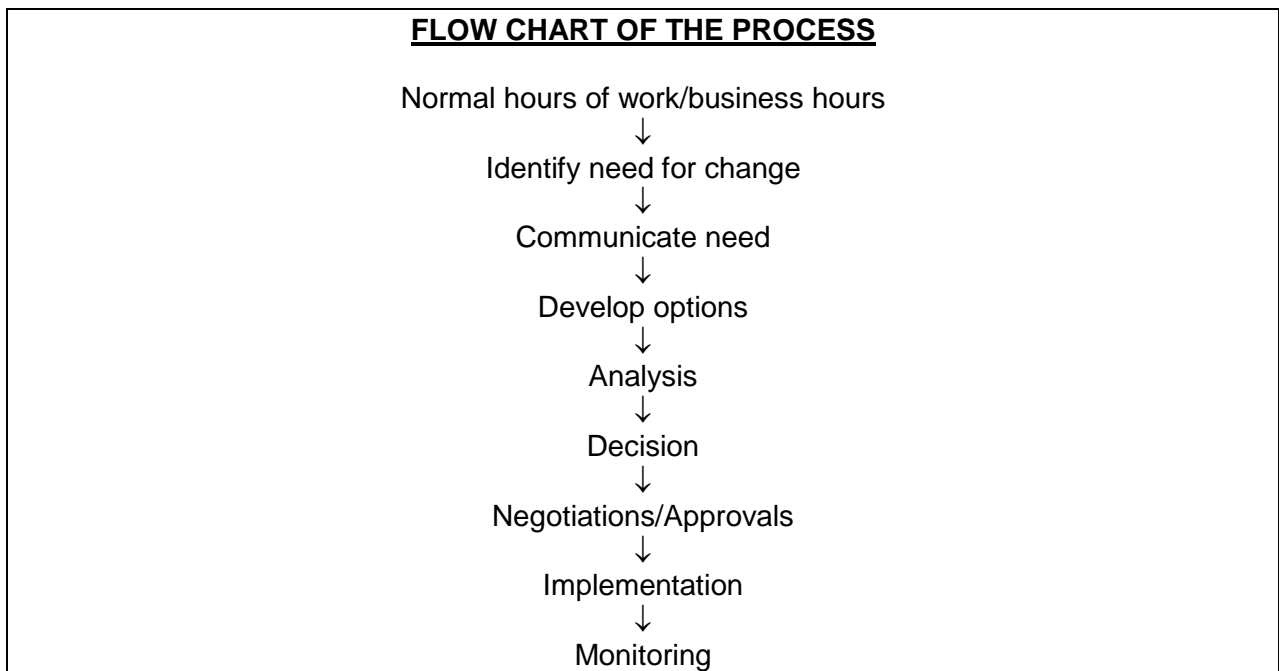
In the absence of any other agreed upon arrangements these are the hours which will be worked.

In situations where there is need for 24 hour and/or 7 day/week coverage the hours of work will be a matter of local arrangement.

"NORMAL HOURS OF WORK" are either the standard hours of work or another arrangement as agreed upon using this process.

"STANDARD BUSINESS HOURS" are determined by the needs of the business and the customers.

"NORMAL BUSINESS HOURS" are either the standard business hours or another arrangement as agreed upon using this process. The normal business hours are just a variation on the standard business hours. They would normally arise from a change in customer needs.



70.4 Overtime

Hours worked in excess of the normal hours of work will be considered to be overtime except where there has been agreement between the supervisor and the employee for the employee to work in excess of normal hours to make up time.

The pay treatment for Saturday and Sunday will form part of the Agreement which establishes the normal hours of work.

70.5 Process

70.5.1 Identify Need for Change

Identification of the desire for change can come from Management, an individual or a group. A request to change business hours would normally come from Management whereas a request to change working hours would normally come from an individual or group. Where a change to the hours of work for a group is being considered, the Society will be informed and involved in the discussions.

70.5.2 Communicate Need for Change

A request for a change should be communicated to the other party in order that deliberations can begin. Requests will be actively considered by the other party within a reasonable period of time. The process will be joint (Society and Management) and will use a collaborative approach in which the needs and interests of the parties are discussed in an open and honest manner and decisions are made by consensus.

70.5.3 Develop Options

A list of options will be jointly developed and agreed upon. As a minimum, the following criteria will be considered when analyzing the options:

- customer needs
- business needs
- maximum/minimum number of hours that can be worked daily
- overtime/premium provisions
- employee needs
- health and safety considerations
- legal and contractual considerations

70.5.4 Analysis

All options should be analyzed using appropriate tools and measures. The analysis should include a discussion of the options considered, their relative merits and the rationale for the recommendation.

70.5.5 Decision

All decisions will be reached by consensus. If consensus is not achieved then the existing "normal" hours remain in effect.

Consensus means everyone can live with and publicly support the outcome.

70.5.6 Negotiations/Approvals

Negotiations and/or approvals should occur at the appropriate level closest to the situation. The line Director will determine the appropriate level of Management approval and in all cases the Management approval must be outside of the bargaining unit. If necessary, mid-term agreements will be

established between Management and the Society to document normal hours of work or normal business hours.

All parties to negotiations under Article 70 should negotiate with the support of principals who will ultimately approve negotiated conditions.

70.5.7 Implementation

Implementation will be on a trial basis initially for an agreed upon length of time and with appropriate cancellation provisions. Criteria for success/failure must be established.

70.5.8 Monitor

The trial will be monitored and evaluated against the criteria. The accountable manager is responsible for monitoring the arrangement.

Following a successful trial period the hours (business hours of work) used in the trial period will become the new normal hours.

Monitoring of key indicators will continue to ensure that the arrangement remains viable.

In the event that the viability ceases to be realized, as determined by either party, the hours of work will revert to the previous "normal" hours unless the parties can jointly find another mutually acceptable alternative. When either party is making a determination about viability it must consider the previously established criteria for success/failure.

71 REDUCED HOURS OF WORK (RHOW) ARRANGEMENTS

71.1 Principles

71.1.1 Employees working RHOW are regular employees and have equal access to all Hydro One policies and agreements (e.g. employment continuity).

71.1.2 The RHOW arrangement must be mutually beneficial and acceptable to both the employee(s) and to Hydro One.

71.1.3 The benefit entitlement will be prorated, wherever possible and appropriate.

71.2 Definitions

A "REDUCED HOURS OF WORK (RHOW) AGREEMENT" is a formal arrangement which individual employees can enter into with Management to perform work over a period of time by working less than the base hours for a full-time position. A RHOW agreement could apply to one individual or two or more in a job sharing arrangement.

"WORK UNIT" is an organizational grouping of employees and may be as small as a crew or as large as a Business Unit.

"BASE HOURS" are used to establish the rate for a full-time position; such as 35, 37.5, or 40 hours per week.

"NORMAL (SCHEDULED REDUCED) HOURS" are the agreed upon reduced hours of work, which are less than the base hours, and form the basis for prorating benefits.

71.3 Guidelines

In determining if a RHOW arrangement is acceptable, the following factors will be considered:

Productivity levels will be maintained or improved. There should be identification of how this change will potentially affect the productivity of the work unit (including assumptions and rationale used to assess the impact), and identification of the proposed method for follow-up and measurement of productivity impact(s) resulting from the change.

The need to maintain staff capability on an ongoing basis is to be taken into account. Identification of the staff capabilities required by the work unit to maintain effective operations, and how the reduced hours of work arrangement will accommodate or improve this capability should occur.

The appropriate level of service to both external customers and internal customers/clients should be provided. There should be identification of the customers/clients of the work unit and the service provided by the work unit to these customers/clients, and anticipation of the impact of the reduced hours of work arrangement on the service provided.

Effective workflow among work units will be maintained. Other work units impacted by the change, and the anticipated impact of the reduced hours of work arrangement on the workflow among the work units should be identified.

Requirements for supervision must be taken into account. Potential issues relating to supervision (e.g., span of hours), and how the work unit plans to deal with these issues should be determined.

The change to reduced hours should be agreeable to both Management and the employee(s) involved. A written Reduced Hours of Work Agreement must be signed to confirm that this matter has been agreed upon by the parties involved.

71.4 General Conditions - Reduced Hours Arrangements

71.4.1 Advertised Vacancies, Salary Progression, and Employment Continuity

Employees who are on Reduced Hours are regular employees and will be treated accordingly. Therefore, they will be: (a) eligible to apply and be considered for advertised vacancies; (b) given annual performance reviews; (c) where applicable, participate in the step progression process; and (d) have access to the Article 64.

71.4.2 Established Commencement Date (ECD)

ECD will be manually adjusted at the beginning of each year, to reflect the normal (scheduled reduced) hours worked in the previous year while on Reduced Hours, or at such intervals as may be necessary, to reflect the equivalent full years worked. ECD will not be adjusted for sick leave purposes.

71.4.3 Vacation Credit Date (VCD)

The VCD will not be adjusted. It will reflect calendar years. This date affects vacation bonus entitlement for all eligible staff and includes all Hydro service regardless of breaks. It may be different from the ECD.

71.4.4 Service Recognition Date (SRD)

For recognition of 5, 15, 25, and 40 years of service with Hydro One and consistent with the provisions of Section 9.4, the SRD will not be adjusted.

71.4.5 Wages

Reduced hours employees will be paid for normal (scheduled reduced) hours worked, based on the hourly rate for their base hours. Wages will be prorated based on the proportion of the normal (scheduled reduced) hours of work compared to the base hours of the work unit or the appropriate full time position.

Example: Base Hours = 35 per week.

Base Salary = \$700.00 per week.

Normal (Scheduled Reduced) Hours = 21 per week.

Normal (Scheduled Reduced) Hours Salary = $\$700.00 \times 21/35 = \420.00 per week

71.4.6 Pension Plan

71.4.6.1 Pension Plan Membership

New employees working reduced hours must apply for membership in the Pension Plan after completing 24 months of continuous service, subject to the following conditions:

- accumulated earnings, including overtime, must equal 35% of the Year's Maximum Pensionable Earnings (YMPE),
and/or
- all accumulated hours, including overtime, must equal 700 (scheduled reduced) hours in each of the two previous calendar years.

71.4.6.2 Pension Plan Deductions

Once qualified as above, Pension Plan deductions for Regular Reduced Hours employees will be based on base earnings for the position and then pro-rated in proportion to the ratio of normal (scheduled reduced) hours to base hours.

Example: Base rate (earnings)	\$45,000
Base hours	35
Normal hours	20
YMPE for year	\$32,000

Calculate 4% of the base earnings up to the first \$32,000 ($4/100 \times \$32,000 = \$1,280$)

Calculate 6% of the portion of base earnings exceeding the first \$32,000 (\$45,000 - \$32,000 = \$12,800) ($6/100 \times \$12,800 = \768)

Calculate proportional Pension Plan contributions ($\$1,280 + \$768 = \$2,048$) ($20/35 \times \$2,048 = \$1,170.29$).

Calendar service will be used to determine eligibility for retirement and death benefits (currently defined for pension purposes as Eligible Service or Continuous Employment).

Service credit to define the years of Pension Plan membership (years of membership in the Pension Plan) for pension calculation purposes (currently defined by the Effective Date on Pension and Insurance) is prorated. See pension calculation example below.

The Service Credit starts from the date of joining the Pension Plan.

Service for termination benefits, currently defined by the Pension Termination Service Date (PTSD), is to be credited on a calendar basis starting with the date of hire. Service related to the PTSD is not prorated.

71.4.6.3 Pension Calculation

The following is an example of how the pension of an employee in a Reduced Hours of Work arrangement would be calculated. Assume an employee has the following years of employment: 20 years full-time, followed by 5 years of 50% part-time, and then 10 years full-time.

For pension eligibility purposes the employee has 35 years' service, i.e. $20 + 5 + 10$ to calculate the amount of pension to be received the part-time years are pro-rated.

$20 + 5/2 + 10 = 32.5$ years pensionable service
 $30 + 5/2 \times 2\% = 65\%$ pension.

If the reduced hours years were the last five years, i.e. 30 years full-time + 5 last years at 50% part-time, the part-time earnings would be annualized as follows, assuming the part-time earnings are \$25,000 or 50% of the yearly rate of \$50,000 for the last three years of employment.

The calculation is as follows:

$(30 + 5/2) \times 2\% = 65\%$ pension
 annualized pension is $\$50,000 \times 65\% = \$32,500/\text{year}$.

71.4.7 Life Insurance

Probationary employees after 3 months service and all regular employees are covered under the Group Life Insurance Plan. Membership in the plan begins on the first day of the month following the date the employee completes 3 months of probationary service or is granted regular status. The basic insurance (2 times salary) plus any additional term insurance will be prorated in accordance with the prorating of wages above.

71.4.8 Health and Dental Benefits

Employees will have the option of receiving full benefit coverage for semi-private hospital, extended health benefits, and/or dental benefits, by using payroll deduction to reimburse Hydro One the cost consistent with the appropriate pro-ration. For example:

If an employee works 21 hours per week, he/she would be subsidized for 21/35 or 60% of the costs and he/she would pay the remaining 40%. If an employee chooses not to pay the remaining prorated percentage, there will be no coverage.

71.4.9 Sick Leave

Restoration of sick leave credits for days used will be in accordance with the Sick Leave Plan provisions.

Sick leave should accumulate at the regular times (January 1 or July 1). While ECD is adjusted for other purposes, sick leave accumulation and restoration dates should remain unchanged.

Annual sick leave credits will be prorated, based on normal hours worked.

Example

100% Entitlement Accumulation

- Employee works 21 hours per week $21/35 \times 8 \text{ days} = 4.8 \text{ days}$, rounded to 5 days.

75% Entitlement Accumulation

- Employee works 21 hours per week $21/35 \times 15 = 9 \text{ days}$.

Rounding should be to the nearest half day. Time Reporting for vacation, sickness, accident and overtime, etc. will be the same as for any other regular employee.

71.4.10 Long Term Disability (LTD)

Long term disability (LTD) coverage is only available to regular employees.

71.4.11 Accident Insurance

Employees are eligible for 100% benefit.

71.4.12 Statutory Holidays

Both the entitlement to statutory holidays and the payment for the statutory holidays will be prorated. The following table illustrates the entitlement:

Days Worked Per Week	Number of Days Entitled to per Year
1	2
2	4
3	8

4	8 (9 for Federally-Regulated Employees)
5	10

The pay on a statutory holiday will be equal to the pay for the average daily hours of the RHOW employee. For example:

An employee works 4 days per week @ 5 hrs per day. In accordance with the entitlement table above the employee is entitled to 8 statutory holidays per year. Payment for each statutory holiday will be for 5 hours since that is the average of the 4 days per week the employee works.

71.4.13 Floating Holidays

These will be prorated in the same manner as statutory holidays, i.e. both the entitlement and the payment on the days will be prorated. For example, an employee who works 3 days per week and 7 hours on each day worked will receive:

$$3/5 \times 3 \text{ days} = 1.8 \text{ rounded to nearest half day} = 2 \text{ days}$$

The payment for each day will be for at 7 hours since that is the average hours per day the employee works.

71.4.14 Vacation

- A. Less than 1 year - 4% of accumulated wages.
- B. For one year, or more:

Vacation entitlement will be based on calendar years (i.e. VCD). The entitlement in any given year will be prorated based on the average number of days worked per week and the actual payment for those days will be based on the average number of hours worked per day.

Example - (a)

A regular full-time employee who commences RHOW on January 1 and who otherwise would be entitled to 20 days' vacation, contracts to work 3 days per week at 7 hours per day (21 hours per week), for the full vacation year, while the remainder of the work unit works 35. The vacation entitlement will then be:

$$20 \times 3/5 = 12 \text{ scheduled days off.}$$

The payment on each of the 12 days would be for 7 hours pay since that is the average number of hours the employee works per day. Therefore the total pay will be 12 days @ 7 hours pay = 84 hours pay.

Example (b)

An employee who works 5 days per week but works only 4 hours per day.

$$20 \times 5/5 = 20 \text{ scheduled days off}$$

The payment for each day would be for 4 hours since that is the average number of hours the employee works per day. Therefore the total pay will be 20 days x 4 hours pay = 80 hours pay.

71.4.15 Overtime

The normal lieu time provisions will apply. Overtime will be paid at appropriate rates for:

- hours worked beyond the base full-time hours on a day (unless additional hours are part of the RHOW arrangement);
- hours worked beyond the base full-time hours in a week;
- hours worked on a Saturday, Sunday or statutory holiday that is not a normally scheduled day.

71.4.16 Pregnancy/Parental Leave

Employees will be eligible for pregnancy/parental benefits. Coverage will be based on normal (scheduled reduced) earnings and normal (scheduled reduced) hours.

71.4.17 Unemployment Insurance Contributions

This is based on gross earnings (which includes overtime premiums, shift differential, etc.).

71.4.18 Canada Pension Plan (CPP)

CPP contributions are based on gross earnings.

71.4.19 Workers' Compensation Benefits

Entitled to 90% of normal weekly net earnings, plus a supplementary grant (total is 100% of normal weekly net earnings).

71.5 Termination of the RHOW Agreement

The initial period of a RHOW arrangement will be considered to be a trial period. The length of the trial period is to be determined by the parties but will not normally be longer than 1 year. If problems are encountered during this period, the employee(s) and the supervisor will attempt to find a solution(s). In the event that these efforts are not successful the RHOW arrangement can be cancelled by either party with 30 days' notice.

After the trial period, situations may arise where the RHOW is no longer working or the workload has increased or decreased. In such situations alternate arrangements can be tried. These could include offering additional hours/days (if there is some) to the RHOW employee, or advertising another RHOW arrangement to make up any difference.

In situations where the workload increases, the employee working the reduced hours will have the first option of working the additional hours. The employee could choose not to work the additional hours. If satisfactory alternative arrangements are not found, Article 64 will be applied.

An employee who wishes to terminate the arrangement has the same rights to vacancies as full-time employees. If unsuccessful in obtaining another position or in negotiating a

new arrangement with Management, and the employee terminates the arrangements, the employee will be considered to have resigned from Hydro One.

(SAMPLE) REDUCED HOURS OF WORK AGREEMENT

To: _____ Department: _____

Effective date: _____

Type of Arrangement: Individual Job Sharing Temporary Work

The following information is pertinent to your Reduced Hours of Work Agreement with Hydro One.

1. Hours of work:

_____ days (_____ hours) per week, _____ hours per day.

2. Salary:

Weekly salary will be \$ _____ per week based on scheduled reduced hours of _____ per week at Schedule _____ Grade _____.

3. Health and Dental Benefits:

Indicate, by circling the appropriate "yes" or "no", whether or not you are exercising the option of receiving full benefit coverage for semi-private hospital coverage, extended health benefits, and/or dental benefits, using payroll deductions to reimburse Hydro One for the cost consistent with the appropriate proration. Should you elect health and/or dental benefits, the monthly cost will be as follows:

Elected Coverage:

Semi-private hospital coverage _____%\$_____ Yes / No

Extended Health Benefits _____%\$_____ Yes / No

Dental Benefits _____%\$_____ Yes / No

4. All other terms and conditions will be in accordance with the Article on Reduced Hours of Work for Society Represented staff.

The trial period will be for _____ months. The parties agree that the agreement can be terminated with one month's notice during this trial period in the event the arrangement is unsuccessful.

If you agree with the conditions set out above, please sign one copy of this agreement for your Personnel File. Also, please indicate if you wish to be covered by any, or all, of the above health and dental benefits.

Manager: _____ Employee: _____

Date signed: _____ Date signed: _____

cc: Human Resources office Society Unit Director

71.6 Responsibilities

The Employee(s):

The employee(s) should discuss his/her interest in a Reduced Hours of Work agreement with the manager/supervisor. An employee who wishes to work Reduced Hours should prepare a proposal for doing so. The proposal should include a current job description and ways in which the job requirements could be met under a Reduced Hours of Work agreement. It should include suggestions for methods of communication among Regular staff members, their managers/supervisor, customers and clients with whom the job interfaces, as per the Guidelines (Section 71.3).

The Manager/Supervisor:

The Manager/Supervisor is responsible for determining if a Reduced Hours of Work agreement is appropriate and in certain instances may initiate action to implement such an arrangement. The Manager/Supervisor will discuss the possibility of a Reduced Hours of Work agreement with interested employees to assist them in establishing appropriate arrangements. The Manager/Supervisor will identify issues specific to the job which need to be addressed, inform employees of their entitlements and approve the proposed Reduced Hours of Work agreement after the appropriate review.

The Manager/Supervisor is responsible for ensuring that the productivity in the work unit does not deteriorate as the result of a Reduced Hours of Work agreement. If productivity is seen to decline, the supervisor should work with the incumbent(s) to identify ways to improve the situation.

72 PEAK DEMAND HOURS ARRANGEMENTS

72.1 Intent

The intent of this Article is to establish a framework of treatment of employees who by the nature of their jobs, are likely required to work more than their normal work week and/or hours different from their normal hours during peak work load periods of the year, and less than the total hours in a normal work week during other parts of the year.

The guidelines for the application of this Article are contained in Appendix V.

Once it has been decided to apply this Article within a business unit, Management will meet with the Society to determine how best to apply these guidelines in their particular situation. The parties are not required to rigidly adhere to the guidelines in Appendix V and may revise them as they deem appropriate.

Either party may refer unresolved items to "interest" arbitration for resolution.

72.2 Process

The parties will develop a design for the Peak Demand Hours Arrangement in local areas using Appendix V as a guideline, including an implementation plan for the arrangement. That plan could involve staffing the arrangement with volunteers on a test basis. The volunteers would have to volunteer for a full 12-month cycle. The fact that an individual did not volunteer will not negatively reflect on his/her performance evaluation. The

results of that test application could be reviewed by the parties. This review might result in revisions to the arrangement.

It is expected that ultimately the arrangement would become a local mid-term agreement.

73 WORK SHARING

- 73.1 "Work sharing" occurs when sufficient members of a work unit agree to work fewer hours for reduced compensation in order to accommodate a temporary reduction in work load and to help maintain employment continuity in the event of an adverse impact situation under Article 64 - Redeployment, Surplus Staff Procedure and Change of Employer.
- 73.2 Work sharing is a temporary arrangement. A work sharing arrangement will normally not exceed one year in duration but can be extended by mutual agreement. Beyond a period of one year, a work share arrangement will normally be governed by the terms and conditions of Article 71 - Reduced Hours of Work (RHOW) Arrangements.
- 73.3 The Society will be involved in the discussion and negotiation of the work sharing arrangement.
- 73.4 The size of the work unit involved in the work share will be the subject of joint agreement between Hydro One and the Society. The agreement of the employees participating in the work sharing arrangement must be obtained prior to implementation. A sufficient number of employees in the work unit must participate in order to make the work share a viable working arrangement.
- 73.5 Either party to a work sharing arrangement will have the right to terminate it with 30 days' written notice. Following termination of a work sharing arrangement, the previous hours of work arrangement will be reinstated. Reduction in the number of employees in a work sharing arrangement through attrition, promotion, etc. will result in a joint review in order to ascertain the continued viability of the work share.
- 73.6 Employees participating in a work sharing arrangement remain regular employees.
- 73.7 Reduction in hours of work pursuant to a work sharing arrangement will not exceed 20% of regular hours and will be matched by an equivalent reduction in salary for a maximum of one year.
- 73.8 Employees participating in a work sharing arrangement will retain full benefits coverage during the term of the work sharing arrangement up to a maximum period of one year.
- 73.9 Pension, life insurance and LTD coverage will continue to be calculated against regular base earnings during the term of a work sharing arrangement up to a maximum period of one year.
- 73.10 Employees will continue to participate in the step progression process while participating in a work sharing arrangement.
- 73.11 Employees will not be declared surplus while participating in a work sharing arrangement. This section will be suspended during the operation of Article 64 -- Employment Continuity.

74 ASSIGNMENT OF NON-BARGAINING UNIT WORK DURING A STRIKE/LOCKOUT

Normally, Hydro One shall not assign an employee to perform non-bargaining unit work unless this work is essential work. It is agreed that the following provisions govern the assignment of essential work, ordinarily performed by employees in another bargaining unit, to Society-represented employees in the event that the members of that bargaining unit are in a lawful strike/lockout situation.

- 74.1 If a job/function is not performed, it is considered “essential work” if it would result in:
- a) a dangerous or unsafe situation for employees or the public;
 - b) a threat to the environment;
 - c) damage to equipment, systems or property;
 - d) the violation of licenses, regulations or other statutory requirements as applicable in (a), (b) and (c) above;
 - e) activities going undone which are required to support employees who are performing essential work in accordance with (a), (b), (c) and (d) above;
 - f) such other condition or concern as may be reasonable in the circumstances.
- 74.2 The process for identifying and assigning work will be a joint process involving a Management representative(s) designated by the Business Unit and the Society representative /designate(s) of the Business Unit. As a part of this process, an employee will advise the Management representative(s) and the Society *representative/designate(s)* in a timely manner as to whether he/she will accept the tentative work assignment. Due consideration will be given to family or extenuating personal circumstances raised by an individual employee prior to assigning essential work.
- 74.3 Requests to employees to accept essential work assignments will contain as much information about the assignment as possible, such as work location and training schedules. It is expected that Management will request work assignments as close to employees’ home locations as possible.
- 74.4 In the event that the Society claims that an activity is not “essential”, it may make a claim before Robert Herman, or if he is unavailable, a mutually agreed facilitator/arbitrator, who shall make a ruling on an expedited basis.
- 74.5 Hydro One may assign work involuntarily to Society-represented staff if no MF/ESR or qualified Society volunteers are available. There is no obligation to assign MF/ESR before seeking a Society volunteer.
- 74.6 Any proposed shift schedules which may be worked by Society-represented employees during assignment to non-bargaining unit work shall be reviewed by the appropriate Society representative/designate prior to the official issuance of the shift schedule.
- 74.7 Employees assigned to essential work will have the appropriate skills and training to perform the duties.
- 74.8 The terms and conditions of compensation for performing essential work are as follows:

74.8.1 General

- 74.8.1.1 All policies and practices and terms of the collective agreement which normally apply to Society-represented staff will continue to apply during a strike/lock-out unless modified, replaced or set aside in accordance with this Agreement.
- 74.8.1.2 All employees, including employees not assigned to work of another bargaining unit, will continue to receive their normal pay rate, including step placement, for their regular job.
- 74.8.1.3 For those employees who normally work shifts, all existing shift schedule arrangements, including time-balanced schedules, will be suspended from the date the work stoppage commences until the work stoppage ends. Compensation treatment will be equitable for all employees assigned to essential duties during the work stoppage.
- 74.8.1.4 All employees assigned to essential duties will be compensated based on a 35-hour work week. As a minimum, employees will continue to receive pay equivalent to their normal base earnings. For employees whose rate is normally based on a 37.5 hour or 40 hour week, a premium of 0.5 times the hourly rate will apply after 35 hours in a week until their normal hours of work (i.e., 37.5 or 40) is reached. Overtime beyond this will be compensated at the appropriate overtime rate.
- A positive time balance will be paid at the termination of the essential service assignment and a negative time balance will be written off.
- 74.8.1.5 For situations involving the crossing of picket lines, refer to Article 77 of the Collective Agreement (“Crossing Picket Lines of Other Unions”).

74.8.2 Compensation

74.8.2.1 Scheduled Work on Weekdays

- 74.8.2.1.1 Employees assigned to essential work will be compensated at straight time rates for the first seven (7) hours of work. The following seven (7) hours worked shall be compensated at time and one half subject to treatment for employees normally working 37.5 or 40 hours a week as outlined in Clause 74.7.1.4.
- 74.8.2.1.2 All hours worked in excess of fourteen (14) continuous hours shall be compensated at:
- a) double time; or
 - b) straight time plus an hour off for each hour worked in excess of fourteen (14) hours.

74.8.2.2 Scheduled Work on Saturdays, Sundays, and Statutory Holidays

74.8.2.2.1 All employees assigned to work shifts and scheduled to work on Saturdays and Sundays will receive straight time pay for the first seven hours worked as part of a normal scheduled work week.

74.8.2.2.2 All employees assigned to work shifts will receive straight time pay for the first seven hours worked on a statutory holiday as part of their normal scheduled work week. One hour off for each hour worked up to the statutory holiday credit (seven hours) will be given at a later date acceptable to the employee and Management.

74.8.2.2.3 The appropriate shift allowances as per Article 60 ("Shift Work [M&P, TMS]") and Article 61 ("Shift Work [FM&P]") will be paid to all employees required to work shifts.

74.8.2.3 Overtime Worked on Saturdays, Sundays and Statutory Holidays

74.8.2.3.1 Employees shall be compensated at time and one half for the first fourteen (14) hours worked on a Saturday.

74.8.2.3.2 Employees shall be compensated at double time for the first fourteen (14) hours worked on a Sunday.

74.8.2.3.3 Employees shall be compensated at double time for the first fourteen (14) hours worked on a statutory holiday. In addition, one hour off for each hour worked up to the statutory holiday credit (seven hours) will be given at a later date acceptable to the employee and Management.

74.8.2.3.4 All hours worked in excess of fourteen (14) hours on a Saturday, Sunday or statutory holiday will be compensated at:

- a) double time; or
- b) straight time plus an hour off for each hour worked in excess of fourteen (14) hours.

74.8.2.4 Time Off in Lieu

Employees may choose to be compensated in money, paid time off, or a combination of both for overtime worked while assigned to essential work. Scheduling of time off will be subject to agreement of the regular supervisor following the end of the work stoppage.

74.8.2.5 Travel Time

All travel time except time spent in travel when called out for any emergency overtime, will be compensated at straight time. Travel time for emergency overtime will be considered as overtime.

74.8.2.6 Expenses

74.8.2.6.1 Reimbursement will be made for appropriate out-of-pocket expenses incurred as a result of undertaking assignments during a strike situation. As such employees should not profit from reimbursement of expenses. Appropriate expenses include, but are not limited to, travel, meals, accommodation, cancellation of vacations, increased child care, and damage or loss of private property.

74.8.2.6.2 Expenses incurred during a temporary assignment will be submitted to the temporary supervisor for approval.

74.8.2.7 Essential Work Rating Scale

The Essential Work Rating Scale set out in Attachment A forms part of this Agreement and will be updated by the Joint Society-Management Committee, prior to application.

ATTACHMENT A

Essential Work Rating Scale

(A) WORKING CONDITIONS

Employees who are assigned to essential work will automatically receive credit for this factor. It is assumed the individual will be subjected to pressures, demands or unfavourable/hazardous working conditions which deviate significantly from the norms of the regular position. Employees/supervisors whose work responsibility will increase significantly as a result of a work stoppage may be assigned to special duties by their respective line management.

Payment per Day: \$30.00

(B) SHIFT ASSIGNMENT

Employees who are assigned to work a shift schedule will automatically receive credit for this factor for each day they work the shift schedule.

Payment per Day: \$30.00

(C) SPECIFIC ALLOWANCES

The following allowances are to compensate for situations where employees are required to perform essential work under specific working conditions.

An employee can receive compensation for only one of the following allowances.

24- Hour Availability

An employee who is required or elects to remain at a designated place, other than home (e.g., motel) in readiness to proceed immediately to the work location on a 24-hour basis.

Hours worked by an employee are included in this 24-hour period.

Payment per Day: \$46.00

OR

Remaining at Hydro One Facilities on 24-Hour Basis

An employee is required to remain/live at the work location for a 24-hour period.

Payment per Day: \$120.00

On-Call Service

An employee is permitted to remain at home following his/her scheduled work but is required to be available to work outside normal working hours.

(Reference: Article 57 - "On-Call Service")

Note: Employees who are required to live at the work location on a continuing 24-hour basis and will be paid for only those hours worked plus the applicable allowances.

75 TELEWORKING

75.1 Definition of Teleworking:

Telework refers to a Hydro One employee who:

- Is working out of an office in his or her home;
- Does not normally have another office at Hydro One;
- Is not working at home on an occasional or casual basis.

75.2 Collective Agreement Standards:

Where Hydro One determines that teleworking may be implemented, the following provisions will apply:

- a) The arrangement will be mutually agreed upon and will be documented prior to commencement of teleworking;
- b) The terms and conditions of the collective agreement will apply except where modified by agreement among Hydro One, the Society and the employee;
- c) Teleworkers will not be required to meet with customers or other Hydro One employees in their home;
- d) Teleworking arrangements will be voluntary, and are subject to cancellation as locally agreed;
- e) Teleworking will not change the employment status of the teleworker;
- f) Hydro One will provide appropriate health & safety advice and guidance to the teleworker;
- g) Hydro One will provide appropriate business and personal security advice to the teleworker;
- h) Hydro One shall provide all furnishings/equipment it deems necessary to meet job expectations;
- i) Hydro One will pay for additional insurance costs, if required;
- j) If the teleworking arrangement is terminated then the employee will be entitled to relocation assistance as provided in the collective agreement;
- k) It is agreed that the Society represents employees who fall within the Society recognition clause of the Collective Agreement and who are teleworking;
- l) Hydro One will provide in a timely manner the Society with the names, business phone number and business address of teleworkers.

75.3 Local Agreements

Local management, the employee and the Society will agree on these items as part of a local agreement:

- performance measures
- relevant terms and conditions (e.g. travel)
- training where appropriate
- sunset (with a minimum term)
- cancellation

76 DIRECT DEPOSIT

Employees will be paid **bi**-weekly by means of electronic deposit. Time exceptions (e.g. overtime) will continue to have a time lag. Such time lag will only be for the period required for the effective operation of the time reporting centres and pay processes.

Overpayments of \$100 or less shall be automatically recovered from an employee's pay by Hydro One upon identification of the overpayment.

Any outstanding liabilities will be deducted from an employee's final pay deposit upon termination for any reason, subject to provision by the employer of a written rationale for these deductions to the employee.

77 CROSSING PICKET LINES OF OTHER UNIONS

- 77.1 Employees will be required to cross picket lines of other unions in order to perform work at their regular/temporary work headquarters.
- 77.2 During such picket action, some flexibility with respect to the normal scheduled hours of work on the part of both Management and the employee is particularly desirable.
- 77.3 Normally, an employee who is prevented from arriving at work for his/her normal starting time due to such picket action will have his/her salary maintained without the requirement to make up the hours missed, subject to the following guidelines:
- a) An employee is expected to make a reasonable attempt to arrive at work at their normal starting time.
 - b) If an employee who is late for work should have been able to cross the picket line without being late, the no work - no pay principle will apply.

78 THE PROVISION OF FRENCH LANGUAGE SERVICES

78.1 Designated Positions

Hydro One will designate positions that require French language capability, to the extent required by the Act. Hydro One shall determine the actual number of positions to be designated and which positions will be designated.

Changes to the designated positions require joint agreement between the local Contact Supervisor/Human Resources Manager and the applicable Society representative. Whenever a change is made to the designated positions list, the Contact Supervisor/Human Resources Manager will provide written notification of the addition to the Society office and Labour Relations, Hydro One Human Resources. Labour Relations, Hydro One Human Resources will issue an up-to-date version of the designated positions list annually to the Society. A position can only be removed or modified when it is vacant.

78.2 Job Security

The implementation and operation of this Article will not result in any declarations of surplus, lay-offs, displacements, forced geographic relocations or financial losses.

78.3 Training

Hydro One will not impose any mandatory training for the purpose of complying with the Act. Any person wishing to take optional external training to obtain French language capability will be provided 100% financial support, so long as the request is in accordance with Article 83 - Extramural Training. In locations where extramural training in French is not available, Hydro One will provide, at no cost to the employee(s), self-paced learning packages in order to assist interested staff to become qualified in French.

78.4 Posting and Selection

French language capability is deemed to be a legitimate selection criterion, in addition to the normal selection criteria, for officially designated positions. The job documents for designated positions will not be amended to include French language proficiency as a duty and/or evaluation factor pending future discussions with the Society.

A notice of posting for a designated position will contain the following wording:

"This position requires the ability to communicate in French. This ability is deemed to be a qualification for the purposes of selection."

French language capability will only be used as a selection criterion when the number of qualified incumbents in a designated position falls below the number specified in this Article. Specific qualifications and requirements must be posted and reasons given for non-selection in writing.

In cases where a location has more than the required number of qualified incumbents in a designated position, the officially designated employee(s) shall be those who are senior and qualified.

78.5 Surplus Staff

When a surplus employee applies to a designated position she or he shall receive the selection priorities established in Article 65 to the extent that the organizational unit retains the capability to meet the requirements of the Act.

78.6 Allowance

Hydro One will pay an allowance of \$18.00 gross weekly. It is recognized that the allowance may be paid to all qualified employees in a designated position in a location, rather than just the employees who officially occupy the designated position. This allowance is the same regardless of the number of hours an employee works per week.

The allowance will be paid only while the incumbent is in a designated classification. The payment of this allowance will cease once the employee has been absent for two months. Transfer to an undesignated position, or removal of a position from the designated positions list, will cause immediate stoppage of the allowance.

An employee who relieves in a designated position must have the French language capability required by the position in order to receive the allowance.

79 SPECIAL CLOTHING

- 79.1 Employees are responsible for providing, at their own expense, suitable clothing for the performance of their regular duties. Subject to certain conditions, outlined below, special clothing may be obtained at the expense of Hydro One for issue to employees.
- 79.2 Hydro One will make bulk purchases of certain types of work clothing, for resale to employees, on the most favourable terms possible.
- 79.3 A limited number of rainproof coats and hats may be obtained and kept available at construction headquarters etc, for persons who normally work indoors, but who are occasionally required to work out of doors under adverse weather conditions.
- 79.4 Safety items that are designed exclusively for such safety purposes will be provided to employees required to perform certain types of work, at no cost to the employee.
- 79.5 All clothing issued by Hydro One will remain the property of Hydro One. Employees may be required to replace item(s) lost or destroyed as a result of their own carelessness.
- 79.6 Staff who are required by the Company to wear safety footwear will be reimbursed as follows:
- Safety boots/shoes - 50% of actual cost to a maximum of \$75/pair;
 - Electric Shock Resistant Footwear - 100% of actual cost to an annual maximum of \$250.00.
- 79.7 Requests for special items of clothing not specifically mentioned, but which might be reasonably supplied under the conditions set out above, will be considered, each case on its own merits. Such clothing must be kept available for any Hydro employee who may require it for Hydro One work.

80 PAYMENT FOR USE OF PERSONAL VEHICLE

- 80.1 Where an employee is authorized to use his/her personal vehicle for Hydro One related business/travel, the rate of reimbursement will be based on the Private Transportation Component of the Canadian CPI as reported by Statistics Canada.
- 80.2 Future increases of one cent/km will occur with each additional 10% increase in the Private Transportation Index - 1986 = 100. A decline in the Index below a previously surpassed trigger point for two or more consecutive months will result in a reduction by the appropriate amount of the rate paid.
- If the Hydro One business/travel involves the hauling of household trailers, an additional \$0.09/km will be paid. For the hauling of smaller trailers (Camper, Ski-doo, boat etc.), the amount will be \$0.03/km. The above rates will apply on a province-wide basis.
- 80.3 By virtue of receiving the above kilometre rates, the employee is responsible for any expenses incurred involving his/her vehicle while on Hydro One's business. This would include such items as insurance premiums, license fees, traffic/parking violations, maintenance costs, any repairs or replacement of parts, fuel, lubricants and the like. The employee is further responsible for informing his/her insurance company that the vehicle is being used for business purposes, and for paying any additional premium that the insurance company deems fit.

- 80.4 An employee driving his/her personal vehicle on Hydro One business must have a minimum of \$1,000,000.00 liability insurance.

81 BUSH FIRE FIGHTING AND VOLUNTEER FIRE BRIGADES

- 81.1 Employees who are conscripted by the Ministry of Natural Resources for bush firefighting or employees who participate in local Fire Brigades may be granted time off work with pay subject to the following conditions:

81.1.1 Regular and Probationary Employees - Bush Fighting

Regular and probationary employees will have their normal base pay maintained.

81.1.2 Temporary Employees - Bush Fighting

Temporary employees will have their normal base pay maintained for a maximum of five working days or to the end of the intended employment period, whichever comes first. If the firefighting period extends beyond five working days, the employee will be placed on an unpaid leave of absence until he/she returns to work, or to the end of the originally intended employment period.

81.1.3 Volunteer Fire Brigades

Employees who are registered volunteer fire fighters may be granted leave of absence with pay if called to service while at work.

82 EXTREME WINTER WEATHER CONDITIONS

In the event of extreme winter weather conditions, employees will normally receive pay for hours worked.

82.1 Make Up Time

Employees who, due to extreme winter weather conditions, arrive late, miss work or receive approval to leave early, may seek approval to make up lost time by working back the missed hours by:

- a) using a vacation day;
- b) using a floating holiday;
- c) using a lieu day (or banked time where applicable).

- 82.1.1 For employees who receive approval to work back the lost time, their pay will be maintained for the number of normal scheduled daily hours lost, provided there is work available to be performed.

- 82.1.2 Employees will work at straight time rate of pay while working back the lost hours.

82.1.3 Time lost due to extreme weather conditions will be worked back within the pay week period. Any lost time not worked back by the end of the pay period will be deducted from the employee's pay.

82.1.4 Senior Management at the location have the discretion to maintain some or all of an employee's normal base pay if they are satisfied that every reasonable effort was made to report to work on time.

82.2 Closure

Employees included in an authorized closure will have their pay maintained for the number of hours between closure and normal quitting time.

82.3 Stranded Employees

Employees who are confined at a regular work location which is an acceptable shelter, will have their normal base pay maintained for their normal scheduled hours of work.

82.3.1 Payment for time worked in excess of normal scheduled hours will be made only if approval was given in advance for such work.

82.3.2 Employees will be reimbursed for reasonable expenses for food and shelter, and will have normal base pay maintained when stranded away from their residence headquarters while on Hydro One business.

82.3.3 Employees working in a location where a minimum level of acceptable shelter does not exist shall be considered as still being at work until acceptable shelter can be reached.

83 EXTRAMURAL TRAINING

In order to enhance a regular employee's job performance now, or in the future, Hydro One may provide financial support for external training activities consistent with Hydro One Policy, subject to the following conditions:

- a) the employee is expected to obtain prior approval from his/her supervisor prior to registering in the training course;
- b) the external training should normally be completed outside normal working hours. Where this is not possible, time off with pay to attend external training programs will be at the discretion of the employee's supervisor. In no circumstances will the external training exceed six weeks if the employee is required to be absent from work.
- c) 100% of reasonable costs paid by the employee for external training courses will be reimbursed where:
 - the training course will create or maintain the employee's capability related to current job performance;
 - the training course develops an employee's capability for a position identified in a succession, retraining, or redeployment plan.

- d) 75% of registration/tuition fees and learning material costs will be paid for external training courses which improve an employee's capability for future jobs within Hydro One.
- e) An employee will be reimbursed for reasonable costs subject to:
 1. Satisfactory course completion and a passing grade where applicable, except where the course is taken upon the request of Management.
 2. Costs will not be reimbursed if the employee has given notice of resignation prior to completion of the course.
 3. All approved costs will be reimbursed for courses which cannot be completed due to the employee being transferred to another location.

84 MEAL EXPENSES

Normally, employees are expected to provide their own meals. Where there is a requirement for a meal as a result of legitimate business functions, employees will be entitled to be reimbursed for reasonable out-of-pocket expenses.

85 VOLUNTARY SEVERANCE (NON-SURPLUS)

- 85.1 Employees who wish to discuss a voluntary severance arrangement with Hydro One will be advised by Hydro One to (a) seek independent legal counsel and (b) seek advice from the Society.
- 85.2 Hydro One will also notify the Society of any employee with whom it is discussing a voluntary severance arrangement and disclose the details of the discussions in advance of finalizing such a severance arrangement with the employee.

86 SECURITY CLEARANCES

- 86.1 The Society acknowledges and agrees that the Employer has the right to perform appropriate Personal Risk Assessments (PRA) on existing, regular employees when required for valid reasons. Where the Employer has reasonable cause to remove an employee from his/her position as a result of an employee's inability to pass a PRA, the employee will be transferred to an equivalent position for which a PRA is not required with no loss of salary.

87 PROFESSIONAL LICENSING REQUIREMENTS

1. ***All Society-represented engineer/officer job documents will be classified as either: 1) "engineering jobs" i.e. jobs that require incumbents to use (or to be qualified or qualifiable to obtain) their Professional Engineers Ontario (PEO) license (P.Eng, "license") and seal to approve engineering work done by themselves or others; or 2) "engineering jobs where the incumbent does not have a license"; or 3) "non-engineering jobs". Engineering jobs will have "engineer" in the job title. Engineering jobs where the incumbents do not have a license will have "officer (E)" in the job title. Non-engineering jobs will have "officer" in the job title. The parties will meet to review the initial classification of these jobs. Subsequent reviews will take place upon request by either party.***

- 2. Subject to specific exceptions (if any), all appointees to MP4, MP5 and MP6 engineering jobs (internal and external hires) will be required to hold and maintain a license. All exceptions will be discussed with the Society in advance of making the appointment.**
- 3. Subject to specific exceptions (if any), all appointees to MP2 and MP3 engineering jobs (internal and external hires) will not be required to hold a license but will be required to be qualified or qualifiable to obtain a license. Qualified/qualifiable means the employee has either met the educational and experience requirements to obtain a license (qualified) or to obtain those qualifications in a reasonable amount of time (i.e. 5 years) (qualifiable). For external new grad hires into MP2 engineering jobs this requirement will be a condition of employment.**
- 4. All incumbents in engineering jobs MP4 and above will be encouraged to obtain their license. Incumbents who elect not to pursue their license will be grandparented ("grandparented incumbents"). Grandparented incumbents will be ineligible for appointment to a lateral or higher level engineering jobs (e.g. an MP4 engineering job incumbent would have to obtain his/her license to be eligible for appointment to an MP5/6 engineering job). If an incumbent elects to pursue his/her license, the employer will reimburse him/her for 100% of reasonable training costs in accordance with the provisions of Article 83 ("Extramural Training"), including the cost of PEO license application and examination fees whether or not the employee is enrolled in a formal course. In the event Article 64 is triggered, grandparented incumbents will be deemed qualified for placement in engineering jobs in accordance with the provisions of this Article.**
- 5. The employer reserves the right to add to the grandparented incumbent category. All additions to the grandparented incumbent category will be discussed with the Society in advance.**
- 6. The employer will reimburse employees in engineering jobs who are required to hold a license for the cost of the annual license fee.**

PART XIV - ADMINISTRATION

88 REPRESENTATION ON HYDRO ONE COMMITTEES

The parties recognize the roles and responsibilities of appointees to committees and task forces, i.e., as a representative of Management on the one hand, and the Society, on the other. When an employee represented by the Society is appointed by Management, his/her responsibility is to Management. When he/she is appointed by the Society, his/her responsibility is to the Society. This role distinction should be made clear at the time of appointment. Notwithstanding the above, and in keeping with Subsection 2.4 (Supervisory Employees - Code of Ethics), Management will endeavour to appoint its representatives having regard to the Society's interests in effective representation.

89 GUIDELINES FOR SOCIETY REPRESENTATIVES ON JOINT/TRIPARTITE TEAMS

The following guidelines apply when employees are appointed by the Society to serve as Society representatives on joint/tripartite teams. They do not apply when employees are appointed by the employer to serve on teams as an employment assignment.

- 89.1** Employees have a legitimate role to play in the development and operation of joint/tripartite teams at Hydro One.
- 89.2** When employees representing the Society are to be included on a joint/tripartite team, they will be officially appointed by the applicable Society representative following discussions with the appropriate line managers. The Society will normally be provided with the team's terms of reference, including an estimate of the time required, as well as with selection criteria to assist in the selection of appropriate subject matter experts for the activities at hand. The Society will consider input provided by the employer concerning its selection of representatives to serve on a joint/tripartite team but retains the right to make the final appointment.
- 89.3** Employees representing the Society on joint/tripartite teams will be given the opportunity to be involved in all aspects of the team activity; i.e., joint communications, joint training and education, etc.
- 89.4** Performance appraisals should support participation on joint/tripartite teams. Toward that end, participation by employees on joint/tripartite teams should be considered in a positive light when conducting performance appraisals providing their contribution to the *joint/tripartite* team has been useful.
- 89.5** Employees representing the Society will be reimbursed for reasonable costs related to participation in joint/tripartite teams by Hydro One.

90 TRIPARTITE AGREEMENT ON JOINT HEALTH AND SAFETY COMMITTEES

Hydro One and the Society agree to adhere to the Tripartite Agreement below:

TRIPARTITE AGREEMENT ON JOINT HEALTH AND SAFETY COMMITTEES

PRINCIPLES OF AGREEMENT between the employer, the Power Workers Union and The Society concerning the establishment or modification of Joint Health and Safety Committees to

meet the requirements and intent of *The Occupational Health and Safety Act*, as amended by Bill 208.

90.1 Size and Composition of Joint Health and Safety Committees

That the size of JHSCs will be determined through discussions and agreement between the three parties.

That the PWU and The Society shall comprise a minimum of 75% of the JHSC membership with the relative percentage of PWU and Society JHSC members being determined by these two parties based on criteria including but not limited to representation by population and historical make-up. Neither union shall have less than 25% of the total number of Committee representatives nor more than 50%. Disputes regarding numbers shall be referred to the Executive level of the PWU and Society for resolution and if agreement is not reached, to an arbitrator mutually agreed upon by the parties for binding resolution.

That Management's Committee representatives will be from outside of PWU and Society jurisdiction.

That the status, rights and treatment of all representatives on the JHSCs will be equal.

That the meetings of the JHSC will be chaired on a rotating basis by the Co-Chair of each party represented on the committee.

90.2 Training and Certification

That all JHSC members will be trained and certified. Training and certification will be jointly determined and in accordance with legal requirements and the PWU and Society Authority to Stop Work Agreements, with the costs to be borne by the employer.

90.3 Policy Committee (Non-legislated)

That a corporate-level Health and Safety Policy Committee shall be established to participate in the formation and evaluation of health and safety strategy and policy, to resolve policy-level issues impacting on tripartite health and safety initiatives including the Work Protection Code and Corporate Safety Rules.

That the Policy Committee be comprised of an equal number of senior representatives from The Society, the PWU and Management.

That the parties will each select their respective committee members.

That the Policy Committee shall meet at least once per quarter.

That the employer shall provide the resources and training that the Policy Committee deems necessary with costs to be borne by the employer. Training development and delivery will be jointly determined.

That the Policy Committee shall receive a formal response to its input to policies/programming within 30 days.

90.4 Annual Experience Review

That each year, upon request by any one of the parties to this Agreement, an experience review be undertaken by the parties of the benefits and difficulties of implementation of the Agreement and the impacts of organizational changes.

90.5 Amendments to the Agreement

Amendments to the Agreement may be made at any time by the parties with mutual agreement in writing. If mutual agreement cannot be reached, the parties will refer to an arbitrator, mutually agreed upon by the parties, for binding resolution.

91 AUTHORITY TO STOP WORK

91.1 Definitions

"Where an Employee's health and safety is in immediate danger" (refer to **91.4.3**), "immediate danger" shall mean, "conditions that pose an immediate threat to life or health, or conditions that pose an immediate threat of severe exposure to contaminants such as radioactive materials which are likely to have adverse or cumulative or delayed effects on health."

91.2 Intent

"Responsibilities and Accountability" are intended to reinforce the fact that this is a joint policy for which both parties are jointly responsible, i.e. we are in this together.

91.3 Introduction

Effectively involving employees and Employers in joint health and safety committee activities can enhance workplace health and safety. Under the Occupational Health and Safety Act, the use of Joint Health and Safety Committees (JHSC) is part of the legislative process which has been labelled as the "Internal Responsibility System" (IRS). Within this participatory management concept, the JHSC's have been given specific rights and responsibilities under the Act such that, with their involvement, the right to know, the right to participate and the right to refuse unsafe work is further enhanced.

Hydro One and The Society of Energy Professionals ("the Society") agree that all unsafe work must be stopped. This Article on health and safety for the authority to stop work will further enhance the activities of the JHSC's and the IRS concept.

Changes to this Article can only be made by mutual agreement of the Joint Working Committee on Health and Safety. Where no agreement can be reached, the matter will be referred to the Issues Team for resolution.

91.4 Authority to Stop Work

91.4.1 Where a workplace is unsafe, a Certified Society and Management member of the local JHSC can jointly prevent the start of the work or stop the work.

91.4.2 Where there is a disagreement between the Certified Society or Certified Management member of the local JHSC that the workplace is unsafe, the issue shall be immediately presented to the local JHSC for review and resolution.

91.4.3 Where an employee's health or safety is in immediate danger, a Certified Society or Management member of the local JHSC can stop the work. After calling the work stoppage, the Certified Society or Management member must contact the respective counterpart immediately and seek to obtain joint agreement on the stoppage as soon as possible. If joint agreement cannot be reached, the issue shall be presented to the local JHSC for review and resolution.

91.4.4 In cases where the JHSC cannot resolve issues arising from 2 or 3 above, the Ministry of Labour Inspector shall be called in for resolution.

91.5 Training/Certification

91.5.1 The Society Joint Health and Safety Working Committee shall fully participate in the development of a specialized training program for all members of the Joint Health and Safety Committees.

91.5.2 The Society Joint Health and Safety Working Committee shall fully participate in the development, putting in place, and administration of testing and re-testing standards for all members of the JHSC's.

91.5.3 The Society Joint Health and Safety Working Committee shall fully participate in the establishment of a specific Training/Certification program for members of the JHSC's.

91.5.4 The Society Joint Health and Safety Working Committee shall fully participate in the development, implementation and administration of testing and re-testing standards for accrediting JHSC members into the Certification program. Such standards shall not be less than those established by the regulatory agencies or deemed to be equivalent to the intent of the regulatory standards.

91.6 Responsibility and Accountability

There shall be a shared responsibility and accountability by the Society and Management for the actions of their Certified members of the JHSC's.

91.7 Compensation and Discipline

It is understood that employees directly or indirectly affected by the application of this Agreement will not suffer any loss of wages or disciplinary action.

91.8 Decertification

Should a Certified member fail to act in good faith, the Society Joint Health and Safety Working Committee shall review the representative's action and make appropriate decisions.

Where there is disagreement regarding the action of the Certified member, the issue shall be taken to Issues Team for resolution.

91.9 Assessment

The Joint Working Committee on Health and Safety shall be responsible for assessing the effectiveness of this Agreement from time to time.

92 JOINT HEALTH AND SAFETY COMMITTEES

92.1 Hydro One will establish a Joint Policy Committee in which Society representatives are able to address the health and safety concerns of employees with Management of various levels depending on needs where jointly agreed.

92.2 All Society-represented employees are entitled to representation on joint health and safety committees and to associated training.

92.3 There are to be three levels of representation:

- Hydro One/Society level
- Corporate Health and Safety /Society working committee level (based on the attached Terms of Reference, agreed to on September 27, 1989 by the parties).
- Local workplace level health and safety committees

Terms of Reference - September 27, 1989
Joint Working Committee on Health and Safety

1.0 Goal

Provide recommendations to assist the Health and Safety Division in the development, implementation and evaluation of Hydro One employee health and safety policy and programs.

2.0 Personnel

Manager, Programming Department, Health and Safety Division and other Management staff as deemed necessary from time to time.

Chairperson of Society Health and Safety Committee and other Society members or a staff advisor to a maximum of five.

The Chair will rotate between the Manager of Programming Department and Chair of the Society Health and Safety Committee.

3.0 Function

Participate in the identification and resolution of problems and issues of Hydro One significance in employee health and safety policy and practice.

Participate in the development, promotion and implementation of Hydro One health and safety programs.

The Committee will meet quarterly or as mutually agreed.

Hydro One will pay the expenses related to jointly agreed projects undertaken by or on behalf of the Joint Working Committee on Health and Safety.

- 92.4** Hydro One agrees to consult with the Society regarding new health and safety policies and procedures and regarding changes to existing health and safety policies or procedures except where provided for by the legislation itself. The Society will be given a reasonable amount of time to comment prior to implementation.

93 PROBLEM SOLVING COMMITTEE

- 93.1** A Problem Solving Committee shall be established and constituted by Hydro One Senior Management representatives and the Society Local VP and Unit Directors. The Problem Solving Committee shall meet upon request of either party and when mutually agreed.
- 93.2** The Problem Solving Committee Oversight Committee shall consist of the President and CEO of Hydro One and the President of the Society and shall meet upon request of either party and when mutually agreed.
- 93.3** Negotiations between Hydro One and the Society shall take place through a body to which each party will appoint an equal number of representatives. Negotiations shall be conducted in good faith and both parties shall make every reasonable effort to reach agreement on matters of mutual interest as expeditiously as possible.

94 DIVERSITY COMMITTEE

Hydro One recognizes the right of the Society to appoint representatives to and participate in the Tripartite (Hydro One, the Society, the PWU) Diversity Committee on the basis of the terms of reference in effect at the commencement of this Collective Agreement or as modified by mutual agreement of all parties thereafter. In the event that a Tripartite Diversity Committee ceases to operate, the parties will establish a Joint (Society-Hydro One) Diversity Committee with similar goals and mandate.

95 EMPLOYEE AND FAMILY ASSISTANCE

Hydro One recognizes the right of the Society to appoint representatives to and participate in the Tripartite (Hydro One, the Society, the PWU) Employee and Family Assistance (EFAP) Committee on the basis of the terms of reference in effect at the commencement of this Collective Agreement or as modified by mutual agreement of all parties thereafter. In the event that a Tripartite EFAP Committee ceases to operate, the parties will establish a Joint (Society-Hydro One) EFAP Committee with similar goals and mandate.

96 PUBLICATION OF COLLECTIVE AGREEMENT

All Society-represented staff should have personal access to a copy of the Collective Agreement. The preferred method is to provide access to this Agreement via an electronic basis.

Hydro One agrees to print sufficient copies for distribution to all elected Society representatives and to those employees without access to computer technology. The cost of printing the copies that are required (to be determined by joint agreement) will be shared on the following basis: 75% (Hydro One); 25% (Society).

97 USE OF HYDRO ONE COMPUTER FACILITIES

- 97.1** The Society may make use of any of the services provided by information technology organizations to Hydro One line units.
- 97.2** The Society will be treated identically to Hydro One line with respect to service standards, procedures and support.
- 97.3** The price charged for the service will be the published rates of the Computer Centre plus the charge for administration, referred to as General Overhead which may change.
- 97.4** Information regarding these services, e.g., technical support, manuals, billing structure, training, etc., may be obtained from information technology organizations.
- 97.5** The Society will seek approval from the appropriate authorities prior to accessing or attempting to access any line unit's application programs or data. Any infringement of this condition by a Society member will be grounds for cancellation of this Article.
- 97.6** The services provided under this Article are to be used only for the purposes of assisting in the conduct of normal Society business and for provisions of service to its members.
- 97.7** Society data and programs may be protected from access by others by taking advantage of existing password mechanisms. It is the Society's responsibility to make arrangements to utilize such mechanisms.

98 NOTE TO PART XV - APPENDICES

Hydro One and the Society have not amended all the Appendices in Part XV to reflect the separate collective agreement status of Hydro One. In particular, the Appendices dealing with the Voluntary Recognition Agreement and subsequent amendments are historic documents and, therefore, references to "Ontario Hydro" have been maintained. It is agreed, however, that the commitments, terms and conditions in these Appendices shall apply to Hydro One in the same manner as they were applied to Ontario Hydro, to the extent that they are applicable to Hydro One.

PART XV - APPENDICES

Appendix I - Re: Utilization and Advancement of Professional Engineers and Scientists

Ontario Hydro and the Society agree the following principles will govern the utilization and advancement of professional engineers and scientists in Ontario Hydro.

- 1.0 The terms "professional engineers" and "scientists" shall include the employees' categories identified in Attachment A.
- 2.0 The MP2/FMP12 level of work shall normally be considered as a developmental stage for professional engineers and scientists performing engineering or scientific work.
- 3.0 The MP4/FMP14 level of work shall be considered as the "normal expectancy" level for fully qualified and competent engineers, or scientists in Ontario Hydro. MP3/FMP13 may continue to be a "journeyperson" level for engineers and scientists in some areas of activity.
- 4.0 Every effort should be made to provide professional engineers and scientists with an opportunity for advancement to MP4/FMP14, when they are capable of performing work at this level and such work is available.
- 5.0 Where an individual has demonstrated the willingness and capability to advance, and where advancement is impeded by lack of opportunity in the work area, every effort should be made to assist the individual in career advancement. This could include specific action steps such as training, job transfers, and rotations which will provide greater promotional opportunity.
- 6.0 Greater emphasis is required on the screening of professional staff at an early stage in their careers for both their potential capability to perform work at the MP4/FMP14 level and their suitability for further employment in Ontario Hydro.

(signed by W.G. Morison for Management and F.R. Greenholtz for the Society, February 27, 1984)

ATTACHMENT A

UTILIZATION AND ADVANCEMENT OF PROFESSIONAL ENGINEERS AND SCIENTISTS

Professional Engineers

Incumbents of jobs with 600000 or 860000 occupation codes who are:

- a)** Licensed to practice engineering by the Association of Professional Engineers of Ontario (APEO)

or

- b)** University graduates in one of the following engineering disciplines:

Aeronautical Engineering (Aero Space, etc.)	Engineering General
Agricultural Engineering	Engineering Science (Physics)
Chemical Engineering	Geological Engineering
Civil Engineering	Mechanical Engineering
Electrical Engineering	Mining Engineering
Electrical Engineering	Metallurgy & Material Science
Electronics Engineering	Nuclear Engineering
Engineering Business (Industrial)	Water Resources Engineering

Scientists

Incumbents of jobs with 600000 or 860000 occupation codes who are university graduates in one of the Natural Sciences, the Applied Sciences, Mathematics or Computer Science and who are not classified as professional engineers.

**Appendix II - Re: Input To Association Of
Professional Engineers Of The Province Of
Ontario (APEO) Salary Survey**

It is agreed that the method of input to the APEO Salary Survey of Employers and the analysis and use of the survey shall be in accordance with the following.

1.0 Data Input

1.1 The salary rates input to the survey shall be the rates paid for normally scheduled hours of work.

1.2 Such salaries shall be input for all Ontario Hydro engineers at Bachelor and/or post-graduate levels in engineering disciplines, who are engaged in engineering or scientific work (incumbents of M&P 600000 series jobs and of FM&P 860000 series jobs, who are represented by the Society), including engineering trainees who are registered (or eligible for registration) by the APEO.

2.0 Method of Input

2.1 Level A

Engineers whose Bachelor graduation occurred during the current or two previous calendar years, who are not incumbents of jobs classified as MP4 and FMP14 or higher.

2.2 Level B

i) Engineers whose Bachelor graduation occurred during the third, fourth or fifth calendar year prior to the current year, who are not incumbents of jobs classified as MP4 or FMP14 or higher.

ii) Engineers in jobs classified as MP1 and FMP11 who have sufficient years of experience to exempt them from eligibility for input to Level A.

2.3 Level C

Engineers in jobs classified as MP2, MP3, FMP12 or FMP13 who have sufficient years of experience to exempt them from the requirement to be input to Levels A or B.

2.4 Level D

Engineers in jobs classified as MP4, MP5, FMP14, FMP15.

2.5 Level E

Engineers in jobs classified as MP6, FMP16.

3.0 Annual Relative Standing

Ontario Hydro data will be excluded from the APEO survey data when making comparisons of Ontario Hydro's position relative to the community.

(signed by J.R. O'Connor for Management and B.A. Green for the Society, November 29, 1984 - revised in 1992/1994 Collective Agreement)

Appendix III - Re: Amendment to the Voluntary Recognition Agreement (VRA)

In light of major changes that have occurred since the Voluntary Recognition Agreement (VRA) came into effect on January 14, 1992, including significant Corporate restructuring, the parties' agreement to conduct a joint internal relativity project, and the need to clarify the Society's historical jurisdiction, the Society and Ontario Hydro agree to replace Sections 1.0 and 2.0 of the VRA with Article 2 of their Collective Agreement as amended by the Framework Agreement dated October 4, 1994.

The parties further confirm that the terms of the VRA as amended in the Collective Agreement remain applicable in all respects, including the agreed upon dispute resolution processes, to all provincially and federally regulated employees, subject only to previously agreed amendments and this amendment.

As a result of renewal negotiations for the 1999-2000 Collective Agreement, the parties agreed to extend Section 9.0 of the VRA to the expiry of the Collective Agreement in operation on January 1, 2005.

As a result of renewal negotiations for the 2007-2013 Collective Agreement, the parties agreed to amend Section 1.0 of the VRA effective July 1, 2007 to delete the provision excluding persons on the basis that they are incumbents in jobs rated 335 points or more under the Plan A Job Evaluation Manual and replace it with the following:

New Exclusion Criterion:

Strategic Business Decisions

1. Responsibility for making significant decisions that will have a material impact on the Company's business and/or staffing (what work gets accomplished, how much is done, when it is done and by whom)
2. Responsibility for making significant business/strategy decisions that will have a material impact on how the Company's business is to be run
3. Items 1 and 2 above also apply to work done by consultants and service providers
4. Regular knowledge of high level confidential Hydro One information prior to its disclosure. No person shall be excluded simply as a consequence of preparing, analyzing or making recommendations with respect to the information

Represent the Company at External Forums

5. Responsibility for being a principal presenter at OEB hearings. No person shall be excluded simply as a consequence of being asked to testify as an ad hoc witness
6. Responsibility for deciding what substantive positions will be taken at the OEB
7. Company spokesperson in matters that affect Labour Relations

Appendix IV Re: Article 2 - Recognition Clause

Hydro One and the Society confirm the following understanding with respect to their agreement to amend Article 2 ("Recognition Clause") of their Collective Agreement:

1. The parties agree that the Voluntary Recognition Agreement (Attachment A), subsequent amendments to the VRA and correspondence between the parties concerning jurisdictional matters will be admissible in the event of any future interpretation disputes concerning the Society's recognition clause.
2. The parties agree that the intent of these amendments is to clarify the Society's historic jurisdiction as the exclusive bargaining representative for the broad mix of professional and supervisory employees that comprise the M&P/FM&P and TMS/TS/OSS/SEI salary classifications on salary schedules 01, 02, 03, 04, 05, 06, 07, 08, 09, 13 and 18 except where such persons are performing managerial functions or are employed in a confidential capacity. As such, these amendments constitute a reconfirmation by Ontario Hydro of the commitments made by D.B. MacCarthy regarding the Society's jurisdiction in his April 18, 1994 letter to P.T. Suchanek, Registrar of the Canadian Labour Relations Board.
3. The Society acknowledges that Ontario Hydro has consented to the deletion of the following subparagraphs from the bargaining unit description on the basis of the assurance of the Society contained in paragraph 4 below:
 - those persons included on the Executive Salary Roll and above;
 - employees whose full-time duties are security work;
 - employees in the Executive Office;
 - employees in the Office of the General Counsel and Secretary including the Law Division except Corporate Official Records Analysts, Corporate Archivists and Corporate Records Centre Supervisors.
4. The Society assures Ontario Hydro that this agreement, to delete the sub-paragraphs contained in paragraph 3 above, does not extend the previously agreed upon jurisdiction of the Society, except upon consent of the parties, beyond that jurisdiction identified in the Voluntary Recognition Agreement. However, should jurisdictional claims be made by any other bargaining agent for the classifications referred to in paragraph 3 above, the Society may assert a parallel or related claim.
5. The parties acknowledge that there are thirteen jurisdictional grievances filed by the Society pending resolution (listed in Addendum A) and that these amendments are not intended to prejudice the outcome of these disputes.
6. The parties acknowledge that the definition "associated employees" in Subsection 2.3.2 includes, but is not limited to, positions listed below, and other similar positions created in the future.

Occupation Code	Job Title	Salary Schedule	Salary Grade
748042	Vault Officer	01	01
748836	Recruitment and Training Officer	01	01
739055	Organization and Systems Analyst	01	01
748105	Recruitment and Training Officer	01	01
752215	International Project Administrator	01	01
741051	Co-ordinator - Area Office Practices	01	02
719010	LAN Administrator	01	02
741050	Co-ordinator - Customer Service Practices	01	02
748252	Assistant Training Officer	01	02
734075	Business Systems Analyst	01	02
753063	Trade Development Officer	01	02
741845	Transportation Field Co-ordinator	01	02
753847	Material Systems Officer	01	02
734080	Information Systems Support Analyst	01	02
739008	Regional Office LAN Administrator	01	02
623013	Materials and Procurement Services Officer	01	02
730844	Facilities and Services Analyst	01	02
759090	Team Leader - Transportation Planning	01	02
753860	Administrative Services Officer	01	02
752046	Business Planning Co-ordinator	01	02
729051	Transportation of Dangerous Goods Specialist	01	02
719009	LAN Administrator	01	02
734078	Information Systems Specialist	01	02
734079	Office Systems Analyst	01	02
748867	Business Systems and Training Officer	01	02
748850	Emergency Preparedness Officer	01	02
741817	Service Co-ordinator - Kipling Complex	01	03
741072	Co-ordinator - Lines Work Methods	01	03
729056	Building Maintenance Officer	01	03
748865	Field Training Officer	01	03
753403	Senior Employment Officer – Nuclear Operations	01	03
710007	Digital Mapping Co-ordinator	01	03
759026	Training Officer	01	03
741828	Operating & Maintenance Projects Co-ordinator	01	03
741827	Service Co-ordinator	01	03
729043	Building & Facilities Disposal Officer	01	04
741841	Production Co-ordinator	01	04
729014	Maintenance Specialist – Mechanical	01	04

(signed by B.R. Story and C.B. Cragg - October 4, 1994)

ATTACHMENT A

VOLUNTARY RECOGNITION AGREEMENT

This Agreement including the accompanying Framework Agreement, included as Schedule A, resolves all issues raised during proceedings at the Ontario Labour Relations Board, regarding the Society's Applications for Certification (dated November 5, 1986 and October 2, 1990) or otherwise arising as to the status of the Master Agreement as a Collective Agreement before such Board or the Courts. This Voluntary Recognition Agreement is entered pursuant to the Ontario Labour Relations Act and is acknowledged to be enforceable pursuant to that Act. The parties agree that the Memorandum of Agreement, June 19, 1991, known as the Letter of Understanding, is no longer in force or effect.

1.0 Recognition Clause

Pursuant to section 16(3) of the Ontario Labour Relations Act, Ontario Hydro agrees to recognize the Society as the exclusive bargaining agent for the "employees" defined as follows:

"All employees employed by Ontario Hydro in the Province of Ontario as supervisors, professional engineers, engineers-in-training, scientists, professional, administrative and associated employees save and except:

- a) those persons included on the Executive Salary Roll and above;
- b) employees in bargaining units for which any trade union holds bargaining rights as of the signing of this Agreement;
- c) those persons who perform managerial functions as distinct from supervisory functions. An employee is performing managerial functions if:
 - i) she/he performs managerial functions such as hiring, promotion, performance increase, discharge, etc. over other employees in the bargaining unit and;
 - she/he is required to spend the majority of his/her time performing managerial duties and;
 - she/he supervises at least seven (7) employees (directly or indirectly) on a regular and continuous basis.
 - ii) she/he supervises employees who are excluded from the Society under (c) (i), (d), (e) or (f);
- d) employees who are primarily employed in a confidential capacity affecting the terms and conditions of employment for Ontario Hydro staff;
- e) employees whose full-time duties are security work;
- f) employees who are members of a profession entitled to practice in Ontario and who are employed in a professional capacity where the Ontario Labour Relations Act excludes such persons from coming under the Act by virtue of their profession."

2.0 Clarity Notes

For the purposes of clarity, the bargaining unit set out above:

2.1 Includes:

- a) All regular, probationary, part-time and temporary employees whose functions are included in the classifications paid from Salary Schedules 01, 02, 04, 05, 07, 08, 09, and 18; and
- b) All employees paid from Salary Schedule 13 (Nurses), Salary Schedule 03 (System Control Operators) and Salary Schedule 06 (Helicopter Operator Supervisors), except employees excluded by virtue of 1.0 of this agreement, will be entitled to vote to determine if they wish to be represented by the Society. If the majority of eligible employees voting on any schedule vote in favour of being represented by the Society, eligible employees on that schedule will be represented by the Society. The vote will be conducted by the Society and Ontario Hydro by secret ballot.

2.2 Excludes employees in accordance with 1.0 (c) above as follows:

- a) M&P (Schedule 01) - in salary classification MP4 (or higher) rated by the Plan A Point System of Job Evaluation January 1988 ("Plan A"), or its equivalent, carrying "Nature of Supervision" Degree 4 (or higher) or its equivalent and "Numbers Supervised" Degree 3 (or higher) or its equivalent who normally supervise other Society represented employees.
- b) FM&P (Schedule 02) - who normally supervise other FM&P employees and who normally supervise at least seven (7) employees directly or indirectly.
- c) TMS and TS (Schedules 08 and 07) - who normally supervise other TMS or TS positions and who normally supervise at least seven (7) employees directly or indirectly.
- d) OSS (Schedule 05) - who normally supervise other OSS positions and who normally supervise at least seven (7) employees directly or indirectly.
- e) Supervising Electrical Inspectors (Schedule 09) - who normally supervise other SEI positions and who normally supervise at least seven (7) employees directly or indirectly.
- f) Area Managers.

2.3 Excludes employees in accordance with 1.0 (d) above as follows:

- a) Employees paid from Salary Schedule 01 rated under Plan A as having "Staff Responsibility" Degree 4 (or higher) or its equivalent and MP6 employees as having "Staff Responsibility" Degree 3 (or higher) or its equivalent.
- b) Employees in the Executive Office.
- c) Employees in the Office of the General Counsel and Secretary including the Law Division except Corporate Official Records Analysts.
- d) Positions currently listed in Agreement RS-1 dated October 11, 1990.
- e) Human Resource trainee positions on Schedule 04.

3.0 The grievance and arbitration procedure may be used to challenge any unreasonable, arbitrary or bad faith action taken by Ontario Hydro which results in the exclusion of any employee or position from the bargaining unit.

4.0 Arbitration

4.1 Future contract negotiations disputes shall be resolved by binding arbitration in accordance with Section 38 of the Ontario Labour Relations Act and the negotiating process for resolving such disputes shall be set out in full in the collective agreement.

The dispute resolution process shall be mediation-arbitration using the same individual as both the mediator and arbitrator.

The mediator-arbitrator shall consider the following issues as relevant to the determination of the award on monetary issues:

- a) a balanced assessment of internal relativities, general economic conditions, external relativities;
- b) Ontario Hydro's need to retain, motivate and recruit qualified staff;
- c) the cost of changes and their impact on total compensation;
- d) the financial soundness of Ontario Hydro and its ability to pay.

A mediator-arbitrator shall have the power to settle or decide such matters as are referred to mediation-arbitration in any way he/she deems fair and reasonable based on the evidence presented by representatives of Ontario Hydro or the Society in light of the criteria in items (a) to (d) and his/her decision shall be final and binding.

4.2 The parties will hereby undertake to develop appropriate internal comparisons, an external community for comparison and criteria for measuring total compensation by no later than September 1, 1992 and failing such agreement either party may refer the outstanding differences to an arbitrator for a final and binding decision. This undertaking and its referral to arbitration shall be enforceable under the Arbitrations Act.

5.0 No Strike/No Lockout

The collective agreement will recognize that the Society, employees within the scope of the bargaining unit, and the Corporation are pledged to the effective and efficient operation of Ontario Hydro and that they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production as long as the terms and conditions in section 4.0 continue.

6.0 Supervisory Employees

For the purposes of section 9.0, the parties agree that Supervisory positions are those that are not excluded under section 1.0 above and that satisfy the following criteria:

- a) Employees on Salary Schedule 01 who have under Plan A "Nature of Supervision" Degree 3 (or higher) or its equivalent;
- b) Employees on Schedules 07, 08, 02, 05 and 09 on condition they normally supervise other employees.

7.0 Enforcement

The primary method of enforcement of this agreement shall be pursuant to the grievance and arbitration provision of the parties' collective agreement. However, should the collective agreement not be in operation or applicable to the dispute, either party shall have the right to refer to final and binding arbitration any differences between the parties arising from the interpretation, application, administration or alleged violation of this Voluntary Recognition Agreement, including any question as to whether a matter is arbitral.

The arbitrator shall have all of the powers of an arbitrator pursuant to section 44 of the Ontario Labour Relations Act or the Arbitrations Act as the case may be.

Subject to the conditions of this Agreement, if a mediator or arbitrator is not appointed within 30 days of a matter being referred to mediation and/or arbitration, either the Society or Ontario Hydro shall have the right to refer the matter to the Minister of Labour or the Chief Justice of the Ontario Court of Justice and the Minister or Chief Justice shall appoint a mediator and/or arbitrator.

8.0 Selection of Mediators and Arbitrators

Mediators and arbitrators shall be selected from a list of mutually acceptable persons which are to be set out in the collective agreement and the costs of using them will be shared equally by Ontario Hydro and the Society.

9.0 Duration

The agreement shall come into effect on the date of ratification and shall remain in effect thereafter except for section 4.0 and 5.0 which may be terminated by written notice by either party not less than six months prior to the expiry of the collective agreement in operation on January 1, 2001 or any subsequent collective agreement. In the event that the Society provides notice of termination of sections 4.0 and 5.0, Ontario Hydro may require that the supervisors defined in this agreement form a separate bargaining unit for which the Society shall be recognized as the bargaining agent and for which there shall be a separate collective agreement. In addition, the Society shall continue to be recognized as the bargaining agent for non-supervisory staff defined in this Voluntary Recognition Agreement. Disputes on the identification of supervisors shall be submitted to a mutually-acceptable arbitrator for settlement. If the parties fail to agree to appoint an arbitrator, either party may refer the matter to the Minister of Labour or the Chief Justice who shall appoint an arbitrator. If Ontario Hydro provides notice of termination of sections 4.0 and 5.0, it shall continue to recognize the Society as representing all employees in one bargaining unit per this Voluntary Recognition Agreement and ensuing collective agreements.

In the event that either party desires to amend this agreement on or after January 1, 2001, it must notify the other party in writing not less than six months prior to the expiry of the collective agreement in effect on January 1, 2001 or thereafter six months prior to the expiration of any subsequent collective agreement. In such circumstances the parties will have the right, if either party so chooses, to appoint a mutually-agreeable mediator for the purpose of reaching a settlement of the issues and where there is mutual agreement the mediator shall arbitrate outstanding matters in dispute.

Notwithstanding the above, the parties may mutually agree to amend this agreement at any time.

10.0 Federal Jurisdiction

In the event that nuclear workers are found to be covered under the Canada Labour Code and the Society applies to represent these employees, Ontario Hydro will not oppose certification for any employee represented by the Society under this agreement.

11.0 Ratification

The Society Executive recommends acceptance of this agreement to its members and the agreement shall become effective upon the date of ratification. Persons eligible to vote will include all employees who will be represented by the Society under this Voluntary Recognition Agreement. The vote will be conducted by secret ballot.

12.0 Effective upon the date of ratification or as soon as reasonably practical, Ontario Hydro undertakes to make available to those employees excluded under 1.0(c) and 1.0(d) an enhanced Redress Procedure for Management Function staff, which includes the right to representation of their choice, and as a final step in the process, to binding arbitration by an external third party acceptable to the employee and to Ontario Hydro.

13.0 Until the terms of a first collective agreement are reached, Ontario Hydro agrees to adhere to the terms and conditions of employment found in the existing Master Agreement, Subsidiary Agreements and Memoranda of Understanding with respect to the agreed upon bargaining unit. Applicable sections of the Manual of Human Resources Policies and Procedures will act as a supplement to the aforementioned joint documents.

14.0 Effective the first month following the date of ratification, Ontario Hydro shall deduct dues from each employee in the unit and remit this amount to the Society forthwith.

This agreement was arrived at with the assistance of and under the auspices of George Adams as mediator.

[signed by C. Cragg for W. Hirst (Society) and W.S. O'Neill (Ontario Hydro), November 13, 1991.]

Schedule A

Memorandum of Understanding for a Framework Agreement

Ontario Hydro and the Society of Ontario Hydro Professional and Administrative Employees agree as part of the Voluntary Recognition Agreement to be found by the following principles and practices and agree that the negotiation and operation of all collective agreements ensuing from the Voluntary Recognition Agreement will be in accordance with this memorandum unless otherwise mutually agreed.

1.0 Society Interests vs. Corporate Interests

The object of this agreement is to promote harmonious relations between employer and employees consistent with the preamble of the Ontario Labour Relations Act and in recognition of the need for the successful accomplishment of the public purposes for which Ontario Hydro has been established as set forth in the Power Corporation Act and enunciated in the Corporate Direction.

The objective of the parties is to facilitate the peaceful adjustment of salaries and benefits, working conditions, issues of fair treatment, all disputes and grievances, and to prevent inefficiencies and avoidable expenses and to reduce unnecessary delays.

Ontario Hydro's mission is to contribute to the enhancement of the quality of life of the people of Ontario by serving their energy needs. The Society's mission is to strive to ensure the best rewards, career opportunities and working conditions for its members. The Society recognizes a responsibility for providing an essential service to the people of Ontario and in working towards the continued viability and continuity of Ontario Hydro as the provincial electrical utility. Both parties recognize the fundamental importance of service to the Corporation's customers.

The parties recognize that situations may arise where their missions, objectives, or actions come into conflict. These conflicts may impact on the bargaining unit and particularly on supervisory employees represented by the Society. The parties agree that supervisors will be able to participate fully as members and perform supervisory responsibilities without fear of reprisal or recrimination by either party.

Provided nothing in this Framework Agreement is intended to interfere with the exercise of lawful economic sanctions by any member of the bargaining unit or bargaining units as the case may be or by the Society itself should either party to the agreement elect to terminate sections 4.0 and 5.0 of the Voluntary Recognition Agreement.

2.0 Collective Agreement

The collective agreement between the parties will include sections 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, 8.0 of the Voluntary Recognition Agreement, in addition to section 1.0 of Schedule A and the principles set out in sections 3.0 to 7.0 as noted below.

3.0 Supervisory Employees - Code of Ethics

Ontario Hydro agrees to include supervisory employees in the bargaining unit on the condition that the parties recognize that supervisory employees will continue to exercise key functions in the control and operation of Ontario Hydro. As members of Ontario

Hydro's managerial staff, supervisors use judgment to express and make operative the decisions of Management. They are responsible for fostering a healthy work environment. The parties recognize the responsibility of supervisors to discharge their supervisory duties in good faith. The Society and Ontario Hydro will identify, minimize and/or avoid the conflicts/perceived conflicts of interest that may arise concerning the relationship between supervisors, the Society and Ontario Hydro.

It is recognized that supervisory employees may be disciplined for failure to act in good faith as a representative of Management and fulfilling their responsibilities including abuse of supervisory position and breach of trust.

3.1 Grievance Procedure

The collective agreement will have a grievance procedure which will recognize:

- access by either party for disputes arising from the administration of the Collective Agreement and from the application of section 1.0. If such disputes proceed to arbitration, the arbitrator will consider the principles contained in section 1.0;
- the role of supervisors in resolving disputes before they reach the formal procedure;
- that the Society agrees not to discriminate against supervisors who represent Management in Society grievances;
- that the Society will exclude supervisors directly involved in a particular grievance from the decisions on the referral of the grievance through the formal process;
- that supervisors will not act on behalf of the Society in matters associated with a particular grievance where the grievance has been lodged by another member(s) who reports to the particular supervisor.

4.0 Representation on Corporate Committees

The collective agreement will recognize the roles and responsibilities of appointees to committees and task forces, i.e., as a representative of Management on the one hand, and the Society, on the other. When an employee represented by the Society is appointed by Management, his/her responsibility is to Management. When he/she is appointed by the Society, his/her responsibility is to the Society. This role distinction should be made clear at the time of appointment. Notwithstanding the above, and in keeping with section 3.0, Management will endeavour to appoint its representatives having regard to the Society's interests in effective representation.

5.0 Selection of Supervisors

The collective agreement will incorporate the existing practices for selecting the "best qualified candidate" in filling supervisory positions.

6.0 Membership in the Society

The Society agrees to permit members to withdraw membership in the Society.

7.0 Dues Deduction (Rand Formula)

The collective agreement will provide for Society dues, as prescribed by the Constitution, or an equivalent amount, to be deducted monthly (or more frequently if agreed) by Ontario Hydro by compulsory payroll deductions from all Society-represented employees and to be forwarded to the Society on their behalf with a list of appropriate employee information.

The Society confirms it will respect the provision of section 47 of the Ontario Labour Relations Act with respect to bona fide religious convictions or beliefs.

(signed by C. Cragg for W. Hirst [Society] and W.S. O'Neill [Ontario Hydro], November 13, 1991)

Appendix V- Re: Peak Demand Hour Arrangements

The following are definitions and guidelines for the implementation of peak demand hour arrangements.

Definitions

Normal Work Week: For purposes of this Article, a normal work week will mean the total of the standard hours normally worked during a pay period, outside of the peak work load periods.

Normal Hours: Normal hours worked outside of a peak work load period (as per Article 70).

Peak Work Load Period(s): One or more periods during the year in which the expected magnitude or nature of the work to be performed reasonably requires employees to work more than their normal work week, and/or hours different from their normal hours. Peak work load periods may be the result of a need to minimize equipment downtime, or other factors which are expected to occur every year.

Peak Demand Workers: Employees who are likely required to work more than their normal work week, and/or hours different from their normal hours during peak work load periods, and less than their normal work week during other periods of the year.

Intent

- a) Peak demand workers may be required to work normal hours, or scheduled hours on a work and/or shift schedule which are different from their normal hours, and which, in total, may exceed their normal work week during peak work load periods. Scheduled hours worked in excess of the normal work week will be “banked” and taken as time off (consistent with the conditions outlined in this Appendix), during periods of the year when the work load may not require all of the normal hours available.
- b) Work and/or shift schedules, and all other administrative matters regarding the hours of work for peak demand workers will be determined within the business unit, subject to the conditions contained in this Appendix.
- c) The design of work and/or shift schedules and other hours of work arrangements will give consideration of the requirement to perform work in the most effective, efficient and safe manner.
- d) The design of work and/or shift schedules and other hours of work arrangement will give consideration of the need to maintain good working relationships within the affected group and the relativity to other employees not covered by this Appendix.

Conditions

- a) The peak work load periods will be declared prior to the start of the year for the entire year. The declared peak work load periods for the year will not be less than four weeks’ cumulative duration (or normal conditions for the employee will apply). The declared peak work load periods will not exceed 26 weeks of the year cumulative duration. For purposes of this Appendix, the year may be any designated fiscal year which will not be changed for the work group once established.
- b) Peak demand workers may be assigned to normal hours, work and/or shift schedules that average more than the normal work week during the declared peak work load

periods. Other articles in this collective agreement regarding shift work, hours of work, and standard hours do not apply during declared peak work load periods, except:

- Articles 60.3, 61.4, 62.2 and 62.3 regarding shift allowance for work schedules on weekends, and nights; and
 - special conditions for 12 hour shifts as per Article 62.6.
- c) Management will strive to provide at least seven days' notice of an assignment to a work or shift schedule that requires work outside of normal hours during the declared peak work load periods. However, any hours worked outside of normal hours without at least three days' notice will not be considered scheduled work for purposes of this Appendix.
- d) Work performed outside of scheduled hours is overtime and will be compensated at the appropriate overtime rate(s).
- e) During the declared peak work load periods, an amount equal to the number of scheduled hours worked each week in excess of the normal work week will be "banked". The banked time will be taken as time off at straight time during times of the year outside of the declared peak work load periods, subject to meeting work requirements. When possible, the time off will be scheduled by mutual agreement between the employee and Management. If work requirements have prevented an employee from taking his/her "banked" time off, the time remaining will be compensated as follows: for positive balances in the time bank remaining at the end of the year, the employee will receive payment at time and one-half for 50% of the hours and double time for the balance.
- f) An employee's base wages will be maintained throughout the year, regardless of the number of scheduled hours worked per week during the declared peak work load periods, or hours taken off at straight time from the time balance "bank" during other periods of the year.
- g) The design of work and/or shift schedules used during the declared peak work load periods will be flexible to meet work requirements and consistent with the limitations of the appropriate legislation. Specific rules to be adopted for the design of work and/or shift schedules for peak demand workers may include:
1. The length of a scheduled shift or extended work day cannot exceed 12 hours.
 2. No more than 48 hours of work may be scheduled (i.e., exclusive of overtime) in a week.
 3. The start of a scheduled shift or work period must be at least 24 hours following the start of the previous scheduled shift or work period.
 4. At least eight hours of time off will be provided between work periods including overtime.
 5. Although the content, preparation, costing and administration of work and/or shift schedules is the sole responsibility of the corporation, the preference of the majority of peak demand workers to be assigned in the affected work group will be considered in designing the work and/or shift schedule.
 6. Every attempt will be made to assign employees from those in the appropriate work group, to a work and/or shift schedule under this Appendix, on a voluntary basis. However, in the absence of sufficient qualified volunteers, the corporation may assign specific individuals to perform the work.

Appendix VI - Guidelines for Applying Burkett Overtime Award

As a result of continuing questions concerning the Burkett overtime award, the Society and Ontario Hydro have agreed to issue these guidelines to assist local representatives in interpreting this award.

Employees found eligible for compensation under this award are entitled to receive compensation equivalent to PWU overtime premiums for all overtime worked, retroactive to January 1, 1993. This entitlement applies to all PWU overtime premiums, including double time Saturdays, double time for all work performed outside of their first four clock hours after normal quitting time Monday to Friday inclusive and minimum payments for emergency and scheduled overtime. It does not apply to travel time outside of normal scheduled hours.

To determine compensation eligibility under this award:

First, determine which employees are eligible to receive the PWU equivalent overtime premium. A list of eligible employees should be developed locally using the statement of intent in Part A and the employee eligibility guidelines set out in Part B. Local Society representatives should be involved in developing the list of eligible employees to minimize the possibility of disputes.

Second, decide whether an employee deemed eligible in step one will be compensated with PWU equivalent overtime premiums on an on-going or on an assignment-by-assignment basis. This decision is Management's prerogative. If the decision is made to compensate on an assignment-by-assignment basis, the guidelines set out in the statement of intent in Part A and the guidelines in Parts C and D should be followed to determine when an eligible Society-represented employee qualifies to receive the applicable PWU equivalent overtime premium. Local Society representatives should be involved in the development of local adaptations of these guidelines to ensure fair and consistent employee treatment and to minimize disputes.

Part A - Intent of the Award

The intent of the award is to correct the internal "relativity rub" that arises when Society-represented staff are required to directly supervise or work beside PWU-represented employees performing overtime work in a field environment or facility while receiving less providential overtime provisions than these employees. It is not intended to address internal relativity problems other than those that specifically arise when members of both employee groups work overtime.

Part B - Conditions of Employee Eligibility

1. The following conditions must be satisfied before an employee is eligible to receive award compensation:
 - a) an employee must work in a field environment/facility (=“field condition”);
 - and
 - b) he/she must directly supervise or work beside PWU-represented employees (=“interface condition”).

2. To meet the “field condition”, an employee must be “directly involved in the operations, maintenance or construction of production, transmission, or distribution facilities”.
3. “Head office” refer to non-production, non-transmission or non-distribution facilities and, as of January 1, 1993, includes the following locations: 700 University, 393 University, Murray Street, College Park, Place Nouveau and the Atrium. When performing overtime work at these locations, employee do not meet the “field condition”. Local Society and Management representatives should assess whether or not employees, when performing overtime work at other locations, meet the “field condition” on a case-by-case basis, by examining the nature of the employee’s work in light of the statement of intent in Part A and the guidelines contained in this section. In the event of disagreements, the matter should be referred to the Issues Team.
4. Employees whose regular work headquarters are “field” locations (i.e., those *not* included under guideline #2 above) and who train PWU-represented staff meet the “field condition”. Employees who satisfy this condition include those who work at the Orangeville C&D Centre and the Nuclear and Thermal training centres.
5. Employees whose overtime work at their regular work headquarters does not meet the “field condition” (e.g., head office staff) shall be deemed to meet this condition for overtime work performed at “field” locations when they directly supervise or work beside employees involved in the operation, maintenance or construction of production, transmission or distribution facilities (e.g., research, telecommunications or information systems work performed at stations).
6. Employees “work beside” PWU-represented staff if they work at the same time as PWU-represented staff on the same projects/task assignments and this is a normal feature of their work and necessary to carry out their job responsibilities (e.g., P&C Engineers). To determine employee eligibility in this regard, the nature of the Society-represented employee’s job responsibilities, rather than the frequency of his or her actual contact with PWU-represented staff, should be the primary consideration.

Part C - Conditions That Trigger Award Compensation

(Management has the discretion to compensate employees who are deemed eligible under Part B above with the equivalent to PWU overtime premiums on an on-going or on an assignment-by-assignment basis. If Management chooses to compensate on an on-going basis, the sole condition that must be satisfied for award compensation to trigger is the eligible employee’s performance of overtime work. If Management chooses to compensate on an assignment-by-assignment basis, then the guidelines below apply. NB. An individual guidelines does not stand alone: all conditions set out in this Part must be satisfied before an eligible employee qualifies for award compensation.)

1. Both the Society-represented employee and the PWU-represented employee whom he/she supervises or works beside must be on overtime. Example: if a Society-represented employee who normally works days Monday to Friday works on a Saturday with a PWU-represented employee who is working on his/her normal scheduled shift (and does not work beyond the scheduled hours), the Society-represented employee does not qualify for award compensation.
2. Award compensation applies to the period of time when the Society-represented employee is “rubbed” by an unfavourable overtime premium differential. Example: if a Society-represented employee who normally works days Monday to Friday works on a Saturday

from 7:00 am to 3:00 pm with a PWU-represented shift employee (for whom the Saturday is a scheduled work day) whose shift ends at 7:00 am but who continues to work (on overtime) until 3:00 pm, the Society-represented employee qualifies for double time from 11:00 am until 3:00 pm, i.e., when the PWU-represented employee received double time for overtime work.

3. The presence of a Society-represented employee for the overtime in question must be necessary for the work to progress (i.e., if the employee was not there, then the task could not proceed). In most cases, this condition is met if the other conditions set out in the Part are also satisfied.
4. A direct supervisory or "working beside" interface must exist between Society-represented and PWU-represented employees during the overtime in question. The mere presence of a PWU-represented employee on overtime at the same location and at the same time as a Society-represented employee is working overtime does not trigger the award. Example: if a number of eligible Society-represented supervisors work overtime at the same time as PWU-represented employee works overtime, only the supervisor to whom the PWU-represented employee reports during the overtime in question qualifies for award compensation.

Part D - Clarifications

1. Even if only one PWU-represented employee is on overtime for a particular assignment, and the other (PWU-represented) members of his/her crew or task group are not, assuming the other conditions are met, the Society-represented employee on overtime with him/her qualifies for award compensation.
2. Normal shift turnover work of less than 30 minutes does not qualify for coverage under this award, but rather is compensated in accordance with Article 62 ("Shift Turnover") in the Collective Agreement. Shift turnover work of 30 minutes or longer performed outside of normal working hours, however, as well as work other than shift turnover work an employee is required to perform prior to normal starting time are eligible for compensation under this award provided that: a) the employee directly supervises or works beside a PWU-represented employee; and b) both are on overtime; and c) an overtime premium rub exists.

(dated February 28, 1994)

Appendix VII - Default Units of Application

(See Article 64.10.1.5)

<i>Divisions (Default)</i>	<i>Business Unit (Default)</i>
-Stations & Operations -Lines & Forestry -Remote Communities	<i>Operations I</i>
-Planning -Construction / Project Management -Engineering Services	<i>Operations II</i>
-Customer Service -Corporate Relations (Corporate Affairs, External Relations, First Nations & Metis Relations)	<i>Customer & Corporate Relations</i>
-IT (Corporate Projects, Enterprise IT, Power System IT) -Security -Hydro One Telecom	<i>Technology & CIO</i>
-People & Culture, Health, Safety & Environment	<i>People & Culture / Health, Safety & Environment</i>
-Finance (Corporate Finance, Treasury & Risk, Audit, Pensions, General Council, Business Planning, Corporate Tax, Regulatory Affairs, Corporate Controller) -Shared Services (Fleet, Supply Chain, Facilities & Real Estate, Outsourced Services)	<i>Finance (CFO) / Shared Services / Internal Audit / General Council / Investment & Pension / Treasury & Risk</i>

**Appendix VIII - Side Letters
1999-2000 Negotiations**

December 4, 1998

Mr. John Wilson, President
The Society of Ontario Hydro Professional and
Administrative Employees
525 University Avenue, Suite 630
Toronto, Ontario
M5G 2L3

Dear Mr. Wilson:

This will confirm certain understandings reached during collective bargaining, concerning the Pension Plan:

- a) The employees represented by the Society constitute a separate class within the Ontario Hydro Pension Plan;
- b) The committee established as a result of the Memorandum of Settlement for the 1997-1998 Collective Agreement shall continue to have access to reasonable pension plan and pension fund information, which shall include reasonable information related to the allocation and transfer of pension funds from the Ontario Hydro Financial Corporation Pension Plan to a successor pension plan as contemplated by S. 100 of the *Energy Competition Act*. Prior to its publication, the committee will review any brochure, which provides a summary of the pension plan and any specific provisions and entitlements of the Society pension class;
- c) In the event of a division of the Ontario Hydro Pension Plan into two or more successor pension plans, the provisions of this letter are applicable in respect of each successor pension plan.
- d) The employer confirms it remains responsible in respect of all rights and benefits under Article 88 of the Collective Agreement.

Yours truly,

Steve Strome
Vice President, Labour Relations,
Compensation & Benefits

December 4, 1998

Mr. John Wilson
President
The Society of Ontario Hydro Professional and
Administrative Employees
525 University Avenue, Suite 630
Toronto, Ontario
M5G 2L3

Dear Mr. Wilson:

Hiring Hall Agreement

This letter will confirm the intent behind the Hiring Hall Agreement (“Appendix”), as previously communicated by Richard Sogawa.

During the negotiations the Management Team guarded against impacts on Society positions by ensuring that:

- The position of Sub-Foreperson aligned with the PWU UTS III position;
- The position of Foreperson aligned with the PWU UTS II position;
- The position of Senior Foreperson aligned with the PWU I position;
- PWU members acting as General Forepersons (those which are Society positions) can only do so for less than 3 months. After that time they must become Society dues paying members.

Yours truly,

Steve Strome
Vice President, Labour Relations,
Compensation & Benefits

Appendix IX -

**Designation of “Society Representative” Contact Persons/Decision-makers
in the Society-Hydro One Collective Agreement**

February 15, 2013

Mr. Jon Rebick
Vice-President Labour Relations
Hydro One

Dear Jon:

As you are aware, the Society-Hydro One collective agreement contains numerous references to “Society Representative or “local Society Representative” as the Society contact person and/or approval authority for the administration of various processes under this agreement without specifying whether the reference is to the local Society Delegate or to the applicable Society Unit Director (e.g. Section 65.3). In some cases, this has led to confusion for local line management and to misunderstandings between the parties.

To avoid these problems in the future, this is to provide Hydro One with formal notice that in all cases references to “Society Representative” or “local Society Representative” as the Society contact person/decision-maker in the collective agreement should be read as referring to the applicable Society Unit Director unless the Society Hydro One LVP or the applicable Society Unit Director has provided the employer with written notice to the contrary for specific circumstances.

Please note that this designation in no way diminishes or detracts from the entitlements of Unit Directors and/or other Society representatives under the collective agreement including, but not limited to, in Articles 39, 88, 91 and 93.

If you have any questions or wish to discuss this matter further, please do not hesitate to contact me. Thank you.

Sincerely,

Keith Rattai
Society Local VP-Hydro One

PART XVI - LETTERS OF UNDERSTANDING

LETTER OF UNDERSTANDING #1

Re: Society-MCP Boundary Issues

Intent

This LOU seeks to clarify employee rights during the operation of Article 64 related to positions at or near to the boundary between the Society and MCP and provide an equitable means for employees to participate in competitions or a mix and match and follow their work where it has been transferred in or out of the Society's jurisdiction as a result of a reorganization. It is not intended to provide enhanced employment continuity rights in comparison to employees whose work has not changed jurisdiction.

The Problem

1. Position X is in the old organization and is in the Society. The duties change very little in the new organization but the change is sufficient to alter the jurisdiction of the position (e.g., the span of supervision and control is expanded and there will be more Society direct reports).

Under the current rules the Society-represented employees currently in position X will not be permitted to compete for the position in the new organization during a mix and match.

2. There is a converse of 1. Position Y is currently excluded from the Society (i.e., MCP). In the new organization the position is substantially the same but the jurisdiction of the job will move to the Society's jurisdiction. Once again, the change is minimal (e.g., there is reduced supervision and fewer or no Society direct reports).
3. Position Z is being formed in the new organization. It appears that it will be excluded/included but there is uncertainty about some factors (e.g., the number of direct reports). Therefore, the jurisdiction is uncertain and may eventually change.

In this case, Management could make an arbitrary designation as excluded and the Society could challenge the designation later. If Management were to do this, then the Society-represented employees would not be able to compete for the position during a mix and match process. If the ultimate jurisdiction was within the Society, it could be that the selection process would have to be repeated.

If Management were to designate the position as included in the Society then MCP would be excluded from a mix and match process. A similar result could occur, if the jurisdiction were to subsequently change.

The Solution

A joint process for identifying positions X, Y and Z will be established as follows:

1. Management will identify the X, Y and Z positions and identify the employees who could be adversely affected. The Society will have approval/veto rights. (Note: This is intended to ensure X, Y and Z positions are legitimate and not intended to increase the opportunities for MCP employees or reduce the opportunities for Society represented employees to exercise their seniority rights in the mix and match process.)
2. Category X - These positions will be filled in the MCP mix and match or advertised Hydro One-wide using the normal vacancy process if not filled in the mix and match. Society

represented employees identified under paragraph 1 will be treated equally to MCP employees during a mix and match but may only be selected for Position X. If the position is advertised Hydro One-wide then the employee will be treated preferentially (i.e., be granted the same priority as surplus MCP) for the specified position only. If the employee is not selected, then the employee can exercise all of his/her normal rights under Article 64. Where the employee is not selected for the position, the Society and the employee will be advised of the selection criteria and provided with reasons for non-selection.

3. Category Y - These positions will be filled in the Society mix and match or advertised Hydro One-wide using the normal vacancy process if not filled in the mix and match. MCP employees identified under paragraph 1 will be treated equally to Society employees during a mix and match but can only be selected providing they meet the senior qualified criteria for Position Y (i.e., such employees cannot be placed in any other position or displace Society-represented employees). If the position is advertised Hydro One-wide, then the employee will be treated preferentially (i.e., be granted the same priority as surplus Society) for the specified Y position only. If the employee is not selected, then the employee will be treated similarly to other MCP staff in all other respects and have no additional rights.
4. Category Z - The parties will attempt to reach consensus on the jurisdiction of the position based on all available information (which will include an organization chart showing reporting relationships, selection criteria, and description of duties) prior to the selection process. Where consensus is not reached, Management will determine the jurisdiction and the Society will have the right to grieve.
5. The rights of the Society to grieve the jurisdiction of positions are unaffected by agreements reached under this process.
6. This Letter of Understanding expires March 31, **2019**.

(Original version signed by Steve Strome for Hydro One and Keith Rattai for the Society, January 2003. Revised to update acronyms effective April 1, 2013).

LETTER OF UNDERSTANDING #2

**Re: Expediting Redeployment Grievances
and Arbitrations**

The undersigned Parties agree as follows:

Complaint and Grievance Procedure

1. This agreement applies to grievances arising from the administration of Employment Continuity provisions of the Collective Agreement (Article 64.1.2), including the redeployment process in each Unit of Application, non-selection to positions in the mix and match and non-selection of employees entitled to priority placement in the search/notice period, and to decisions of JROTs.
2. Except as specified in this agreement, all provisions and practices established in relation to the Complaint and/Grievance/Arbitration Procedure apply to these grievances.
3. An employee's complaint must be submitted no later than 20 working days after completion of the Mix and Match, e.g. final approval of the JRPT Second Report or equivalent, the JROT decision, or the selection process that includes the decision he or she feels is unfair.
4. At Step 1 of the grievance procedure, the Society will submit complaints within the scope of this agreement to the relevant JRPT, JROT, and/or line management through Labour Relations Strategy Division. Management and The Society will be given 10 working days to attempt to resolve the grievance. The Society's position on the grievance is not prejudiced by that of Society members of JRPTs or JROTs.
5. Failing resolution at Step 1, The Society may advance the grievance to Step 2 of the grievance procedure within a further 10 working days.
6. The Parties will appoint regular and backup members to at least one Standing Redeployment Grievance Team, which will act as a Second Step Grievance Committee according to the terms of the Collective Agreement. The Committee will meet within ten days of a grievance being filed to attempt to resolve the grievance.
7. Failing resolution at Step 2, The Society may refer the grievance to arbitration within 20 working days. The Parties will designate and retain one arbitrator for grievances under this agreement.

Arbitration

8. The parties will review case by case the appropriateness of the following expedited arbitration process for grievances arising from the Expedited Redeployment Grievance process.
9. Mr. Joseph W. Samuels, or another arbitrator acceptable to the parties, will be retained as arbitrator for Employment Continuity grievances and he will be asked to deal with agreed-upon cases according to the terms of point 10, below. The arbitrator shall control the proceedings and retain jurisdiction to require further submissions of fact or argument as he deems necessary to determine the matter.
10. The expedited arbitration process will require the following:

- ◆ each grievance can be heard on one day, more than one grievance may be scheduled per day subject to the arbitrator's direction.
 - ◆ the parties will prepare and sign a Joint Statement of the facts giving rise to the dispute, the facts in dispute (to the extent practicable), and any agreement as to the issues to be decided by the arbitrator. The Joint Statement must be developed prior to scheduling the hearing date.
 - ◆ each party will present three copies of a Case Statement at the outset of the hearing. The Case Statement will state the issues to be determined, the facts on which the party relies, and a summary of the position of the party, supported by documentary exhibits and references to the Collective Agreement, jurisprudence or other authorities.
 - ◆ witnesses may be called where the arbitrator rules that there is a material factual dispute and determines which parts of the evidence sought to be called appear relevant and material to the determination of the grievance. Witnesses will be under oath and subject to examination and cross-examination.
 - ◆ oral argument will be limited to the position of the party set out in the Case Statement and the rebuttal of the other party's argument.
 - ◆ the arbitrator will determine the matter as soon as possible, with a written decision issued to the parties within ten working days of the hearing date. Failure to meet a time limitation under this process will be deemed a technicality that does not invalidate the proceedings or the award.
11. Where the parties do not agree that a case is appropriate for this procedure, it will be dealt with by the same arbitrator as a conventional referral to arbitration.

(signed by B.R. Story and M. Germani - June 13, 1995)



LETTER OF UNDERSTANDING #3**Re: First Line Management Supervisory Positions (TMS)**

The parties agree to maintain commitments with respect to the jurisdiction of First Line Management Supervisory positions (TMS) as set out in the following Letters of Understanding, which are in other respects terminated as complete:

- (a) Implementation of the Retail Systems Agreement (August 16, 1995);
- (b) The Implementation of the Grid System Agreement on TMS (January 30, 1996);

(Signed by Steve Strome for Hydro One and John Cameron for the Society, March 2001).

LETTER OF UNDERSTANDING #4**Re: Allocation of Society Staff to Ontario Hydro Successor Companies**

All employees of Ontario Hydro on payroll at December 2, 1998 were allocated to the successor companies/bargaining units: OPGI Non-Nuclear, OPGI Nuclear, OHSC (now Hydro One), IMO (now IESO), ESA.

In certain cases, one successor company/bargaining unit ("service provider") continued to provide a service to one or more successor companies/bargaining units ("service recipient"), after the de-merger of Ontario Hydro (April 1, 1999). In these situations, management determined the number of FTEs required to provide the service, in consultation with the Society.

The employees allocated to positions providing the service shall be subject to the following:

1. If the service arrangement is later terminated, a number of employees equivalent to the number of FTEs identified above shall be allocated to the service recipient on the basis of seniority and preference, subject to work unit viability and reasonableness as in paragraph 2 above.
2. An employee who does not wish to resign employment with the service provider may remain with the company/bargaining unit subject to applicable redeployment provisions of the Society's Collective Agreement with that company/bargaining unit.
3. An employee who is offered a position under this subsection shall be entitled, as an employee of the service recipient, to relocation assistance on such terms as it exists in the collective agreement that applies to the receiving organization at the time of reallocation under this section.

(Original version signed by Steve Strome for Hydro One and John Cameron for the Society, March 2001. Revised to update acronyms effective April 1, 2013).

LETTER OF UNDERSTANDING #5

Re: Reclassification of 40-Hour FLM Jobs That Primarily Supervise Non-Trades

Without prejudice and without creating a precedent regarding any other matter, the undersigned parties agree as follows:

1. This Letter of Understanding is intended to address, on an interim basis¹, the problem of appropriately evaluating First Line Manager (FLM) jobs with regularly scheduled hours of work of forty hours per week that exclusively or primarily² manage³ non-tradespersons⁴ under the Trades Management Supervisor (TMS) job evaluation plan.
2. This agreement applies to incumbents in the Customer Service FLM, the Distribution FLM - Remote Communities Shift Manager jobs and FLM – Field Technical Services ("included jobs"). The incumbents in these jobs as of the date of signing of this agreement are listed in Appendix A. The Society and Hydro One may mutually agree to extend the application of this Letter of Understanding to other jobs consistent with the intent expressed in paragraph 1.
3. The included jobs will be reclassified MP4 and paid off of salary schedule 01 effective the date of signing of this Letter of Understanding. While these jobs remain on salary schedule 01, incumbents will have all rights under Plan A until such time as the parties have agreed on a replacement job evaluation plan.
4. Employees shall be given "point to point" (i.e., as if placed at the same performance standing at the MP4 salary grade) retroactive compensation for the period they were incumbents in the jobs listed in paragraph 2 between January 1, 1999 and the date of signing of the Letter of Understanding.
5. The regularly scheduled hours of work per week for incumbents in included jobs shall be 40 hours.⁵ For the purposes of these jobs only, salary schedule 01 applies to 40 hours per week. As a result, regularly scheduled hours between 35 and 40 hours per week will not be paid on a pro-rated basis.
6. Management shall expeditiously produce job documents for included jobs reflecting the changes agreed to in this Letter of Understanding. These documents shall provide management with the flexibility to assign incumbents to supervise different employee classifications (e.g., trades, clerical-technical, operators) as required. This provision is without prejudice to whether or not this reassignment creates an "adverse impact" within the meaning of Article 64 of the Collective Agreement.
7. Except as expressly modified by this Letter of Understanding, all provisions of the Collective Agreement shall continue to be applicable.
8. This Letter of Understanding shall remain in effect until the earlier of when the parties reach agreement of a new job evaluation plan (pursuant to Section 30.5 of the Collective Agreement) or December 31, 2000. If no agreement on a new job evaluation plan is reached by December 31, 2000, this Letter of Understanding shall continue in effect thereafter subject to termination by either party on 90 days' written notice.

- 1 "Interim" means until agreement is reached on a new job evaluation plan pursuant to Section 30.5 of the Collective Agreement.
- 2 "Primarily" means that normally more than 50% of time is spent managing non-tradespersons.
- 3 In this Letter of Understanding, "manage" is used in the context of the continuation of the jurisdictional commitments given in LOU #3.
- 4 "Tradespersons" means those recognized as such under the PWU-Hydro One Collective Agreement.
- 5 For the sake of clarity, Article 69 of the Collective Agreement ("Reduced Base Hours - 40 Hour Workers) applies to incumbents in these jobs.

(Signed by Steve Strome for Hydro One and John Wilson for the Society, July 14, 1999).

LETTER OF UNDERSTANDING #6

Re: Process for Updating the Hydro One Drug Formulary

A. New Drugs Requiring a Prescription By Law

1. New "generic substitutes" for "name brand drugs" already listed on the Formulary will automatically be added to the Formulary as soon as they are approved for use in Canada.
2. New "strengths/dosages/forms" for drugs listed on the Formulary will automatically be added to the Formulary as soon as they are approved for use in Canada.
3. Out-of-country drugs with the same chemical base as drugs listed on the Formulary will be covered on the same basis as their Formulary equivalent.
4. The Chief Physician (or other employer-designated decision-maker) shall review all drugs that have been newly approved for use in Canada and advise the employer whether the drug is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition. The employer will make all reasonable efforts to make this determination as soon as possible after the drug has been approved for use in Canada. When a drug is deemed by the Chief Physician (or other employer-designated decision-maker) to meet this criteria, the drug shall be added to the Formulary.
5. Any drug on the Formulary that is no longer approved for use in Canada will automatically be deleted from the Formulary effective the date federal approval is withdrawn.

B. Over-The-Counter (OTC) Products

1. A new OTC product that falls into the following categories:
 - (a) considered life sustaining;
 - (b) different strengths or repackaging of life sustaining products already on the Formulary (same product/same company);
 - (a) products already on the Formulary whose DINs may have changed as a result of a company takeover or reorganization shall be reviewed by the Chief Physician (or other employer-designated decision-maker). The Chief Physician (or other employer-designated decision-maker) will advise the employer whether: a) the OTC product is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition; and, b) Best Average Pricing (i.e. Manufacturer's wholesale price to the carrier) is available for the product. When the OTC product is deemed by the Chief Physician (or other employer-designated decision-maker) to meet this criteria, the product shall be added to the formulary.

When Best Average Pricing information is not available for an OTC product, a paper claim will be reimbursed subject to determination by the Chief Physician (or other) employer-designated decision maker) that there

is no reasonable alternative product on the existing formulary and that the product is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition.

C. MISCELLANEOUS

1. The Corporation agrees to provide the following to The Society: a full and complete copy of the list of new drugs approved for use in Canada, as received from the Carrier (usually monthly); a list of (prescription and OTC) items added to the Formulary (including, where applicable, what country it applies to); and, upon written request from The Society, a written rationale for not including a drug on the formulary
2. Notification of the employer's decision to not add a drug to the Formulary, and any ensuing discussion with respect to the employer's rationale for not doing so:
 - Shall not be deemed to trigger timelines under Article 16 of the Collective Agreement;
 - Shall be without prejudice to The Society's position with respect to whether the drug meets the "reasonable and customary" standard; and,
 - Shall not prejudice The Society's entitlement, or the entitlement of any Society-represented employee(s), to grieve the employer's decision at a later date.

Where a timely grievance is successful, reimbursement for a denied claim shall be limited to the date of claim and retroactive additions to the Formulary shall be limited to the date of claim denial.

3. The Corporation agrees to provide The Society with an electronic copy of the complete Drug Formulary on a regular basis (calendar year).
4. The Corporation agrees to install, and update on a regular basis, the complete Drug Formulary on the Intranet.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, July 11, 2000).

LETTER OF UNDERSTANDING #7

Re: Hydro One Acquisitions

Without prejudice and without creating a precedent regarding any other matter, the undersigned agree as follows:

Hydro One Inc. is engaged in the acquisition of various Utility businesses. In most cases, Hydro One Inc. intends to integrate the work force of the Utility with the Hydro One Inc. work force. This Letter of Understanding will apply to all employees the Society represents after the acquisition of the Utility or part thereof.

1. Upon acquisition of the Utility, or part thereof, and where the Society represents the employees, Hydro One Inc. shall employ in the bargaining unit all employees of the Utility (the "employees") who would typically fit within the Society's recognition clause and shall intermingle such employees and the business of the Utility with its own employees and business. Hydro One Inc. shall provide the Society with Notification of the intent to transfer employees from the Utility to the Society's jurisdiction within Hydro One. A joint review of the employees' classifications shall be conducted to assess how they fit in the bargaining unit as soon as possible and before the transfer of these employees to Hydro One Inc.
2. Where employment or location protection has been provided as part of the sale agreement, these employees ("protected employees") shall have a protected period which is the period of time beginning when the protected employee commences employment with Hydro One Inc. and ending when the first of any of the following events occurs:
 - a) The number of years of protection noted in the purchase agreement, to a maximum of 5 years, have elapsed since the date the protected employee commenced employment with Hydro One Inc.
 - b) The protected employee voluntarily obtains another position within Hydro One Inc. in accordance with paragraph 5 below.
 - c) The protected employee voluntarily retires or leaves the employ of Hydro One Inc.
 - d) The protected employee voluntarily notifies Hydro One Inc. and the Society in writing that he/she wishes to terminate his/her protected period. No such notice shall be served during any period of time when Hydro One Inc. is redeploying other members of the bargaining unit pursuant to Article 64 of the Collective Agreement or any other negotiated redeployment arrangements.
3. During the protected period, the protected employees shall not be subject to permanent transfer, displacement or any part of Article 64 of the current Society Collective Agreement.
4. Employees shall carry forward their seniority and service credit from the Utility. Employees shall accrue seniority and service credit under the Collective Agreement for all purposes under the Collective Agreement.
5. ***Employees from acquired entities will be transferred to the Hydro One Sick Leave Plan based on their ECD and will have their initial sick leave balance reduced by the amount of sick leave they have used in the last five (5) years at the acquired entity.***

6. Protected employees shall be eligible to apply for vacancies pursuant to Article 65 and shall be considered at selection priority level (f) for vacancies filled in accordance with Subsection 65.6.3 of the Collective Agreement. Protected employees shall not be given preference or priority consideration over other Society-represented employees in the filling of vacancies other than on the basis of the selection criteria set out in Article 65.
7. Any positions that are vacant prior to the acquisition and which Management intends to fill shall be advertised in accordance with the applicable section of Article 65 of the Collective Agreement.
8. No regular Society-represented employee shall be subject to Article 64 as a direct result of protected employees performing their work during the protected period.
9. Each acquisition, and a list of the associated protected employees, shall be documented on an attachment to this Letter of Agreement.

***(Signed by Jon Rebick for Hydro One and Jim Botari for the Society July 24, 2015.
Revised to add paragraph 5 effective April 1, 2016)***



LETTER OF UNDERSTANDING #8**Re: Career Edge**

Career Edge is a non-profit organization which connects university and college graduates with employers to develop marketable career-related skills to help the individual succeed in today's market place.

Society-represented employees may be utilized to mentor, train and to oversee training related assignments of Career Edge participants. It is expected that any investment of time by Society-represented employees in training and mentoring will be offset by the contributions of Career Edge participants.

Hydro One and the Society support the goal of the Career Edge program. To assist with its objectives, the parties agree to the following:

1. Participants may have an internship program of either 6, 9, 12 or 18 months.
2. Hydro One will advise the Society Office of each potential Career Edge opportunity that is within the Society's jurisdiction prior to finalizing an agreement with Career Edge.
3. Career Edge participants will not become employees of Hydro One.
4. Career Edge is the legal employer of the participants so all payroll administration and associated liabilities reside with Career Edge.
5. In order to make the internship as beneficial as possible, participants may be assigned training exercises consisting of work within the Society's jurisdiction.
6. Participants will not be represented by the Society.
7. There will be no adverse impact within the meaning of Articles 64 and/or 18 on a Society-represented employee or the Society, including no reduction in Society-represented positions (and associated hiring requirements) nor any displacement of Society-represented employees from their positions, as a result of the Career Edge program.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, September 21, 2000).

LETTER OF UNDERSTANDING #9**Re: Return of Employees from Inergi to Hydro One
Warehouse Operations**

Without prejudice and without creating a precedent regarding this or any other matter, the undersigned parties agree to the following:

1. The purpose of this Letter of Understanding is to identify the employees who are returning from Inergi to Hydro One as a result of the repatriation of the warehouse operations.
2. The following employees will be transferred from Inergi to Hydro One:
 - T. Crawford (617911) – Warehouse Operations Supervisor
 - E. Kapitan (676774) – Warehouse Operations Supervisor
 - P. Martin (107681) – Warehouse Operations Supervisor
3. Effective the date of transfer, the above named employees shall transfer all accumulated service, vacation, seniority, sick leave and subject to the agreement of Inergi, pension credits as set out in Articles 4 and 64 for all Inergi and previous Hydro One service to Hydro One. For the sake of clarity, these employees shall be considered employees hired before January 1, 2002 for the purposes of Article 44.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 7, 2004)

LETTER OF UNDERSTANDING #10**Re: Biometrics Information at the OGCC, Essa and Richview**

1. It is acknowledged that the introduction of and requirement to provide biometrics information is a condition of employment at the **OGCC, Essa (backup control room only), and Richview (backup control rooms and associated computer rooms only)**.
2. The collection and use and disclosure of the personal information provided will be restricted to the stated purpose of using biometric templates, which is to secure verification of the identity of individuals for access to the **sites listed in #1 above**. The biometric template is not a fingerprint as used in law enforcement.
3. This LOU does not set a precedent for either party regarding security access requirements at other locations, currently or in the future.

(Signed by **Nadine O'Neill** for Hydro One and **Jim Botari** for the Society, **December 8, 2015**).

LETTER OF UNDERSTANDING #11**Re: Work Refusal**

It is jointly agreed that the following Letter of Understanding is an agreement between the parties and that any changes require joint agreement. The parties further agree that any detailed associated documents must meet the intent described within this Letter of Understanding.

1. Items within any detailed associated documents will clearly identify the rights and accountabilities of workers, supervisors and the employer under the Occupational Health and Safety Act, section 43.
2. The parties agree that the work refusal process established within Hydro One will have a three stage process. The three stages will outline a worker concern process – stage 1, a worker refusal process – stage 2 (internal) and a worker refusal process – stage 3 (Ministry of Labour Involvement).
3. The parties will ensure the process identifies the Union representative's role.
4. The process will ensure active participation of Senior Management and the Society Hydro One Local Vice-President, prior to contacting the Ministry of Labour.
5. Either party may cancel this Letter of Understanding on 60 days' notice.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 18, 2005).

LETTER OF UNDERSTANDING #12

Re: Incident Rating and Investigations

It is jointly agreed that the following Letter of Understanding is an agreement between the parties and that any changes require joint agreement. The parties further agree that any detailed associated documents must meet the intent described within this Letter of Understanding.

Incident Rating


1. The Society representatives on the Joint Health and Safety Committee shall be provided with the opportunity for input into incident, Maximum Reasonable Potential for Harm (MRPH) ratings.
2. Where the rating of an incident is in dispute, Line Management or Joint Health and Safety Committee members can seek timely resolution of the dispute through an adjudication by the Vice-President of Health, Safety and Environment.

Incident Investigation

1. All incidents shall be investigated. Whenever a team is appointed to investigate an incident, the Society shall be invited to participate on investigation teams and shall select their representative.
2. It is Hydro One's general intent to share all management corrective action plans with all employees and their unions as broadly as possible. However, it is acknowledged that in respect of certain incidents, such as those out of which significant personal or corporate liability may arise, this may not always be possible or desirable. In respect of such incidents, with a view to protecting the rights of employees of the Corporation and the Corporation itself and subject only to the Joint Health and Safety Committee and Society representatives' right to review the written corrective action, Management reserves the right to not publish or distribute a copy of the written corrective action plan and, if the written corrective action plan is published or distributed, to prohibit or limit its further disclosure or reproduction in any form. In these instances the Corporation will identify this to the Society prior to the start of the investigation. The Society representative, who will be a person designated by the Society Vice-President, may sign off that the Society is in agreement with Management's decision to withhold, prohibit or limit reproduction of the corrective action plan.
3. It is agreed between the parties that joint investigations are performed to identify the root cause(s) of the incident and not to lay blame on any individual. It is agreed that any information gathered during the investigation process will not be used to discipline any Society member. If Management so desires they can conduct a separate investigation for disciplinary purposes.
4. The team established will sign off on the final report. If the Society disagrees with the report the Society representative's comments will be noted in the report.
5. All applicable release costs and associated expenses shall be borne by the company as per the Collective Agreement and the Occupational Health and Safety Act.

- 6.** Joint Health and Safety Committee members and the Union representatives shall have the right to review the management approved corrective action plan, except as noted in item 2 above.
- 7.** There will be a discussion between the parties prior to the release of a final report, by either party, that is not described in item 2 above.
- 8.** Either party may cancel this Letter of Understanding on 60 days' notice.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 18, 2005)



LETTER OF UNDERSTANDING #13**Re: Career Bridge**

Career Bridge is a non-profit organization which connects internationally Qualified (foreign trained) Professionals with employers to gain Canadian work experience to help the individual succeed in today's market place.

Society represented employees may be utilized to mentor, train and to oversee training related assignments of Career Bridge participants. It is expected that any investment of time by Society represented employees in training and mentoring will be offset by the contributions of Career Bridge participants.

Hydro One and the Society support the goal of the Career Bridge program. To assist with its objectives, the parties agree to the following:

1. Internship lengths are of at least 4 months and can be extended to a maximum of 12 months at the discretion of Hydro One.
2. Hydro One will advise the Society Office of each potential Career Bridge opportunity that is within the Society's jurisdiction prior to finalizing an agreement with Career Bridge.
3. Career Bridge participants will not become employees of Hydro One.
4. Career Bridge is the legal employer of the participants so all payroll administration and associated liabilities reside with Career Bridge.
5. In order to make the internship as beneficial as possible, participants may be assigned training exercises consisting of work within the Society's jurisdiction.
6. Participants will not be represented by the Society.
7. There will be no adverse impact within the meaning of Articles 64 and/or 18 on a Society represented employee or the Society, including no reduction in Society represented positions (and associated hiring requirements) nor any displacement of Society represented employees from their positions, as a result of the Career Bridge program.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, February 28, 2006).

LETTER OF UNDERSTANDING #14**Re: Time Limits for Filing Health and Dental Claims**

This letter details the understanding between the parties regarding time limits for filing Employee Health and Dental Claims and will become effective on January 1, 2009.

In order to be eligible for payment, Society-represented employees must submit their claims within two years of the date on which the expense was incurred. For example, a health or dental expense incurred on December 1, 2007 must be submitted by December 1, 2009 in order to be eligible for payment.

Failure to submit within this time limit will result in automatic rejection of the claim.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, September 9, 2008).

LETTER OF UNDERSTANDING #15

Re: Joint Health and Safety Working Committee

It is jointly agreed that this Letter of Understanding is an agreement between the parties and that any changes require joint agreement.

The Joint Health and Safety Working Committee shall be established to provide recommendations to assist the Health and Safety Division in the development, promotion, implementation and evaluation of Hydro One employee health and safety policy and programs.

Personnel

The Committee will be comprised of three representatives from each of the following:

The Society, the PWU and Management.

The parties will each select their respective committee members.

The chair will rotate among Management, Society and Power Workers' Union.

Function

- (a) Participate in the identification of problems and issues of Company significance in employee health and safety policy and practice.
- (b) Participate in the development, promotion and implementation of Company health and safety programs.
- (c) Study, develop and make recommendations for changes to the corporate safety rules and work protection code. This function can be delegated to an ad hoc group.
- (d) The committee will normally attempt to resolve issues of mutual interest before seeking intervention by senior management or the Joint Health and Safety Policy Committee.
- (e) The committee will meet quarterly or as mutually agreed.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, September 29, 2008)

LETTER OF UNDERSTANDING #16**Re: Building Trades Union Employees
who are temporarily working in the Society's Jurisdiction**

Without prejudice and without creating a precedent regarding this or any other matter, the undersigned parties agree as follows :

1. This Letter of Understanding applies to Hydro One employees whose base position is represented by one of the Building Trades Unions ("BTU employee").
2. A BTU employee who is temporarily assigned work within the Society's jurisdiction shall be paid from his/her applicable base Building Trades Union wage schedule for the duration of this assignment, including the period beyond three months.
3. Except as expressly provided for in this Letter of Understanding, all other terms and conditions of the Society collective agreement shall apply to BTU employees who are temporarily working in the Society's jurisdiction as outlined in Article 5.2 of the Hydro One/Society Collective Agreement.

(Signed by Jon Rebick for Hydro One and Keith Rattai for the Society, June 9, 2011)

LETTER OF UNDERSTANDING #17**Re: Statutory Holiday Credit Compensation**

The following outlines the options available to Society-represented staff who are assigned to work overtime in circumstances where they would be entitled to a statutory holiday credit pursuant to Section 58.2 ("Overtime: Day Workers"):

1. In all circumstances, except as outlined in #2 below, an employee assigned to work overtime on a statutory - holiday will be compensated as per Article 58.
2. Upon mutual agreement, the employee may request to be paid for his/her statutory holiday credit at the same time as the overtime is paid. The employee must request the paid option in advance of working on the statutory holiday and the manager must approve this arrangement. If there is no agreement, the employee will be compensated as per Article 58.
3. This Letter of Understanding terminates on March 31, 2016.

(Signed by Jon Rebick for Hydro One and Keith Rattai for the Society July 15, 2013)

LETTER OF UNDERSTANDING # 18**Re: IPO Share Grants**

Society-represented regular employees contributing to the Pension Plan as of September 1, 2015 will participate in an IPO Share Grant Plan, as follows:

- **Share grants will be made on April 1st of each year starting April 1, 2018 and continuing up to and including April 1, 2029 (i.e., maximum of 12 grants) provided the individual is still an active employee of Hydro One as of the grant date and has less than 35 years of pensionable service, with the number of shares granted to each individual each year calculated as 2.0% of Salary as of September 1, 2015/Initial Share Price, adjusted if the increase in pension contributions is capped by the application of the maximum member contribution to a registered pension plan under the Income Tax Act (ITA).**

Example – if an employee has a salary on September 1, 2015 of \$100,000 and the initial share price is \$20.00, 100 shares (2% x \$100,000/\$20.00) will be granted to the employee each year up to a maximum of 12 grants. At the end of the 12 years, the employee will have 1200 shares.

This Letter of Understanding is effective August 31, 2015.

(Signed by Jon Rebick for Hydro One and Jim Botari for the Society, July 24, 2015)

LETTER OF UNDERSTANDING #19

Re: Professional License Requirements

Without prejudice and without creating a precedent regarding this or any other matter, the undersigned parties agree as follows:

- 1. Hydro One will reimburse employees who are required to hold a professional license as a job requirement for the cost of the annual/periodic license renewal fee.**
- 2. This Letter of Understanding will expire on March 31, 2019.**

(Signed by Nadine O'Neill for Hydro One and Jim Botari for the Society, June 9, 2016)

LETTER OF UNDERSTANDING #20

Re: Vacation Accrual and Usage for LTD Rehab Employees

Without prejudice and without creating a precedent regarding this or any other matter, effective January 1, 2016 the undersigned parties agree to apply Subsection 47.6.6 of their Collective Agreement with respect to rehabilitative employees in receipt of Long Term Disability benefits (“LTD rehab employees”) as follows:

- 1. LTD rehab employees will have their service for vacation purposes (i.e. their VCD) credited as if they were working full-time, regardless of hours worked.**
- 2. LTD rehab employees’ use of their vacation credits will be pro-rated. For those on LTD rehab indefinitely (i.e. where the employee’s return to non-rehabilitative employment is reasonably unforeseeable)⁸, the amount of vacation days available for use will be established upon return to work and will be based on the planned working hours outlined in the rehab plan. This number will not change unless the return to work plan is modified by the agreement of all parties. For employees on short-term LTD rehab, a local discussion between the employer, the employee and a Society representative will be held upon return to work to determine the appropriate ratio of vacation days available to be taken or paid out. If the parties are unable to agree, pro-ration will be based on the average number of hours per week worked in the LTD rehab plan. Example : An employee who is on an indefinite LTD rehab schedule with a base work week of 35 hours entitled to 4 weeks’ vacation who is working 17.5 hours per week may use 50% (2 weeks’ worth) of his/her entitlement while he/she works rehabilitative hours.**
- 3. LTD rehab employees who remain on rehabilitative employment at the end of the calendar year and who are unable to use their current year’s vacation entitlement will have the unused portion of this entitlement paid out by the employer.**
- 4. LTD rehab employees who return to non-rehabilitative employment before the end of the calendar year will be entitled to use their full vacation credits. Any outstanding current year’s vacation credits that an employee was unable to use as a result of rehabilitative employment will be carried forward to the next calendar year.**
- 5. This Letter of Understanding expires on March 31, 2019.**
- 6. In the event that the parties are unable to reach agreement on this matter through bargaining, either party may refer the matter directly to arbitration.**
- 7. This settlement may not be relied upon by either party as it pertains to the interpretation or practice of Article 47.6.6.**

(Signed by Nadine O’Neill for Hydro One and Jim Botari for the Society, August 23, 2016)

⁸ This includes Society-represented employees on indefinite LTD rehab as of the date of signing of this agreement.

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COLLECTIVE AGREEMENT

Between

HYDRO ONE INC.

and

POWER WORKERS' UNION

CANADIAN UNION OF PUBLIC EMPLOYEES – C.L.C.

LOCAL 1000

April 1, 2015 – March 31, 2018

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NOTE

*In order to readily identify changes in this Agreement from the previous one, new changes are printed bold and in italics. Note that certain foreign words used within the text are, by convention, also printed in italics however these words are easily identifiable and should not cause confusion.

Hydro One Inc.

Power Workers Union

Date

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MT-10-1	Banked Time Arrangement for Trades and Weekly Salaried Staff	BT 64 BT 42	Active
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MT-18-1	University Student Co-op Programs	PW 38	Active
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MT-50-2	Provincial Purchased Services Agreements		Active
MT-51	Career Edge		Active
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MT-60	Waste Co-ordinator Classification		Active
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**COLLECTIVE AGREEMENT
BETWEEN
HYDRO ONE INC. (The Company)**

and

POWER WORKERS' UNION (PWU), CANADIAN UNION OF PUBLIC EMPLOYEES, Local 1000 – CLC, hereinafter referred to as the “Union” which executes this Agreement by M. Hyatt, B. Roberts, T. Chessell, *Steve Allan* and G. Dawson, who have been duly appointed the purpose, in accordance with the constitution of the Union.

WHEREAS the Union has requested the Company to enter into a Collective Agreement and the Company has consented thereto:

NOW THIS AGREEMENT WITNESSETH

that there shall be four parts, namely, Part ‘A’ – General Items, Part ‘B’ – Maintenance Trades, Part ‘C’ – Controllers/Dispatchers/Trainees, and Part ‘D’ – Weekly-Salaried. It is also witnessed that the Company and the Union agree each with the other as follows:

**ARTICLE 1
RECOGNITION
COLLECTIVE BARGAINING UNIT**

- 1.1** The Company recognizes the Union as the sole bargaining agent for all regular, part-time and temporary employees¹, including technicians of the construction field forces and security employees² but excluding:
- (a) Employees now represented by other bargaining agents.
 - (b) Persons above the rank of working supervisor.
 - (c) Persons who exercise managerial functions in accordance with the *Ontario Labour Relations Act*.
 - (d) Persons employed in a confidential capacity in matters relating to labour relations in accordance with the *Ontario Labour Relations Act*.

¹ “Employees” are employees pursuant to the *Labour Relations Act* for Ontario SO, **1995, c.1 Schedule A**, as amended.

² Security employees at the following locations: (At the time of printing no locations were identified).

- 1.2** When an employee is removed from normal duties to act in a vacated position or relieve for an incumbent or perform a temporary assignment, the following shall apply:
- (a) When the length of time involved is known to be three months or less, the employee will retain his/her present jurisdictional status.
 - (b) When it is expected that the length of time will be longer than three months, the employee will be excluded or included at the commencement of his/her new responsibilities. However, in the event the period is actually less than three months:
 - (1) in exclusion cases, the Union will be reimbursed the dues which would have been paid;
 - (2) in inclusion cases, the Union will reimburse the employee the dues which have been paid.
 - (c) When the length of time is unknown, the employee will retain his/her present jurisdictional status up to the three month period. If the period extends beyond three months, the employee will then be either included or excluded.

ARTICLE 2 GRIEVANCE PROCEDURE

2.1 Any allegation that an employee has been subjected to unfair treatment or any dispute arising out of the content of this Agreement shall be understood to be a fit matter for the following grievance procedure. All matters of grievance by any employee or group or class of employees for whom the Union is the bargaining agent and which the Union may desire to present shall be dealt with in accordance with the following procedure.

2.2 It is mutually agreed by the parties hereto that it is the spirit and intent of this Agreement to adjust grievances promptly. Therefore, any employee covered by this Agreement having a grievance may present such grievance to the representative of the Union appointed by the Union for that purpose. The Union representative may then proceed to have such grievance adjusted in accordance with the following steps established hereby for the purpose of adjusting grievances.

2.3 Grievances

Grievances are to be filed within thirty (30) days from the date that the grievor knew or should have known the facts giving rise to the grievance. The Company is to reply in writing within seven (7) days.

Steps in grievance process: Non-disciplinary matters:

- Step 1 Within seven (7) days of reply or time limited for reply, a meeting with contact supervisor.
- Step 2 If Step 1 meeting not held or if grievance not resolved at Step 1, grievances go to next scheduled meeting of Grievance Review Board.

2.4 Grievance Review Board

The Grievance Review Board shall consist of two Union representatives (at a high level) and two Management representatives (at a high level), who will have the authority to agree unanimously to a final and binding settlement of any grievance or unanimously agree to the scheduling of any grievance.

Grievance Review Board meetings are to be scheduled regularly as agreed to by the parties or ordered by the Chief Arbitrator in all work locations. The purpose of the Grievance Review Board will be to attempt to settle all cases, failing which the Grievance Review Board will agree to facts where possible and ensure that all documentary and other evidence is disclosed by the parties.

If not resolved at the Grievance Review Board, grievances move to arbitration.

2.5 Disciplinary Matters

- 2.5.1** Prior to the imposition of any disciplinary penalty, the Company shall hold a Disciplinary Interview, which shall replace Step 1 of the grievance process.
- 2.5.2** The Company shall provide the Union and any employees who may be disciplined three (3) days' notice of the Interview.
- 2.5.3** The Interview shall take place between the Company, the Union and the accused individual.
- 2.5.4** The Company shall set out its allegations and except where the allegations could constitute a criminal offence, the Union or the individual(s) shall set out their version of the events. Minutes, but not a transcript, of the Interview setting out the substance of the discussion shall be taken.
- 2.5.5** The minutes of the meeting shall be provided to the Union and the accused individual(s) within seven (7) days of the Interview.
- 2.5.6** The Union and the accused individual(s) shall forward a written reply to the minutes, if any, within seven (7) days of receipt of the minutes.

- 2.5.7** Should the Company choose to impose discipline, the Union has ten (10) days to file a grievance commencing at Step 2.
- 2.5.8** Nothing in the disciplinary interview process is intended to interfere with the Company's right to investigate matters.
- 2.6 Facilities and Costs**
- 2.6.1** The Company shall provide the necessary facilities for all meetings in the grievance process.
- 2.6.2** Maintenance of normal earnings and payment of expenses shall be provided by the Company for all Union representatives on a grievance committee.
- 2.6.3** The fees of all arbitrators and costs associated with arbitration hearings shall be shared equally by the parties, subject to current practices.
- 2.7 Dispute Resolution – Article 8, Plan B and OGLs**
- Any Article 8, Plan B or OGL disputes shall be resolved on an expedited basis as set out below:
- 2.7.1** The Union shall commence this dispute resolution process by filing a grievance with the relevant contact supervisor. The parties shall meet within seven (7) days to attempt to resolve the grievance. Failing a resolution of the matter within fourteen (14) days of filing the grievance, the matter will be referred to the ***Grievance Review Board (GRB)***. Failing resolution at that meeting, the grievance shall be ***arbitrated as per Article 3.***
- 2.8 Facilities and Costs**
- 2.8.1** The Company shall provide the necessary facilities for all meetings in the Article 8, Plan B, and OGL grievance process.
- 2.8.2** Maintenance of normal earnings and the payment of expenses shall be provided by the Company for all Union representatives on a dispute resolution committee as per Article 2.7.
- 2.8.3** The fees of the JCT Chair and costs associated with JCT hearings shall be shared equally by the parties. Each party will pay its own nominee on the JCT.
- 2.9** The Company will finalize any formal grievances presently in the process of completion but not finalized before the Agreement is signed.

ARTICLE 2A
DISCIPLINE AND DISCHARGE

- 2A.1** Any allegation that an employee has been demoted, suspended, discharged or otherwise disciplined without just cause shall be a fit matter for the grievance and arbitration procedures as provided for in this Collective Agreement.
- 2A.2** When disciplining or discharging probationary employees for just cause, it is recognized that the probationary period is an extension of the selection process and that they have short service. Therefore, the threshold for discipline and discharge may be less than that of a regular employee in similar circumstances.
- 2A.3** Disciplinary penalties resulting in a suspension without pay will not be imposed until a final decision, (agreement between Union and Management, or an arbitrator's judgment) has been reached.
- 2A.4** A copy of all letters of employee reprimand shall be sent to the chief steward, except in cases where in the Company's opinion the matter involved is of a confidential nature. In the latter instance, the letter will state that the Union has not received a copy of the letter.
- This shall not prevent a supervisor from taking on-the-job disciplinary action including immediate suspension subject to later confirmation.
- 2A.5** Unless otherwise agreed to, after a letter(s) of reprimand has been on an employee's file for a maximum of two years, and there have been no further occurrences, then the letter(s) of reprimand will be removed from all files.

ARTICLE 3
ARBITRATION

3.0 The Arbitration Process

The arbitration process will continue on the basis of the practice currently adhered to by the parties, but any disputes relating to such practice or any requests for changes in the practice may be referred to the Chief Arbitrator, or Deputy Chief Arbitrator as referred to herein, for a ruling.

- 3.1** This procedure shall not apply to Union allegations of unfair treatment or Union concerns regarding the adequacy of job documents and/or the rating, for jobs covered by the Clerical-Technical Job Evaluation Plan or the Area Clerk Plan, which shall be processed in accordance with the challenge procedures contained in The Union Clerical-Technical Job Evaluation Manual.

3.2 Where a difference arises between the parties relating to the interpretation, application, or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration.

3.3 Unless the parties agree to a Board of Arbitration, or the Chief Arbitrator or the Deputy Chief Arbitrator so order, all grievances shall be submitted to Single Panel Arbitration.

3.4 Chief Arbitrator and Deputy Chief Arbitrator

For the duration of this Collective Agreement, Martin Teplitsky shall serve as the Chief Arbitrator. The Chief Arbitrator will have exclusive, final and binding authority over all issues relating to the scheduling of cases, including decisions as to who hears which case and when it is heard and shall have the power to relieve against time limits, including those in the grievance process and the referral to arbitration in respect of all cases.

3.5 All Arbitrators

All arbitrators are to determine their own procedure, may admit evidence that would not be admissible in court and may rely on such evidence to render a decision. All arbitrators will have the power and authority to determine the real issues in dispute between the parties in any particular case and to relieve against time limits in the grievance process. All arbitrators' decisions will be final and binding. All arbitrators shall have the power to make interim relief orders.

3.6 Principles of Single Panel Arbitration

- (a) Arbitrators shall decide up to fifteen (15) grievances each day. The cases shall be heard on an expedited basis after the parties have exchanged their written briefs. Oral evidence may be called only where the arbitrator deems necessary and only with leave of the arbitrator.
- (b) The decisions are precedent setting and shall be accompanied by reasons on any non-factual issues.
- (c) The parties may use the services of counsel.

3.7 Powers of the Chief Arbitrator in the Single Panel Process

- (a) The Chief Arbitrator, in consultation with the parties, will have the power to:
 - (i) appoint arbitrators;

- (ii) assign grievances for resolution;
- (iii) schedule hearing dates in consultation with the parties.

Any of the Chief Arbitrator's powers may be delegated to the Deputy Chief Arbitrator.

3.8 Board of Arbitration

A Board of Arbitration shall consist of a Company nominee, a PWU nominee, and an Arbitrator. A party requesting that a grievance be heard by a Board of Arbitration shall do so in writing to the other party within 10 days of the date the GRB referred the grievance to arbitration.

3.8.1 Nominees

Once either party notifies the other party that an unresolved grievance will be referred to arbitration, such notice shall contain the name of the first party's nominee to an arbitration board. The recipient of the notice shall within 10 days, if he/she consents to the grievance being heard by a Board of Arbitration, advise the other party of the name of its appointee to the arbitration board. The parties shall then have 10 days to agree to a Chairperson for the Board of Arbitration.

3.8.2 Arbitrator

If the parties agree that a Board of Arbitration should hear a grievance but fail to agree upon a chairperson within the time limit, an appointment shall be made by the Chief Arbitrator, or, if the Chief Arbitrator is incapable of doing so, through the facilities of the Ontario Labour Management Arbitration Commission or the Minister of Labour, upon the request of either party. The Arbitration Board shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee affected by it. The decision of a majority shall be the decision of the Board of Arbitration, but if there is no majority, the decision of the chairperson shall govern. However, in no event shall the Board of Arbitration have the power to change, alter, modify or amend any provision of this Agreement.

3.8.3 Powers of the Chief Arbitrator in the Board of Arbitration Process

- (a) To determine the hours within which arbitrations are conducted.
- (b) To assist in reducing the cost, and reducing the delay and increasing the efficiency of the arbitration process.

ARTICLE 4 WORKING CONDITIONS

4.1 Working conditions during the term of this Agreement shall be as outlined in this Agreement and Mid-Term Agreement³ except such Mid-Term Agreements as are agreed obsolete by the parties.

In addition, the general environmental privileges surrounding an employee shall also be considered as working conditions. These privileges would include such things as wash-up time, transportation facilities, safety appliances, general safety or health precautions.

4.2 Any modification within the confines of this Agreement shall be subject to agreement by the Company and the Union's executive. Changes to the undernoted subjects, however, can be made with the written agreement of the Chief Steward with the exception as noted in 4.2 (e) and may be cancelled by either party upon the giving of 30 days' notice:

- (a) Changes in working hours between the hours of 7:00 am to 6:00 pm for an individual, work group or crew.
- (b) The extension of acting positions beyond 90 days as outlined in Part B **Item 19.0** and Part D Section 8.0.
- (c) Modifications to hours of work (specific) at all locations for banked time arrangements.
- (d) Local extensions to a maximum of three months beyond the normal 15 accumulated months (in which there have been no breaks in employment exceeding five months) on the use of temporary employees to meet short term staffing requirements without invoking regular-seasonal status.
- (e) Arrangements allowing flexibility for employees assigned to temporary work headquarters subject to PWU Sector Vice-President or delegate approval.

4.3 Unless specifically referred to in a Mid-Term Agreement the pertinent provisions of the Collective Agreements shall apply.

³ A Mid-Term Agreement is a modification of the Collective Agreement executed by the parties on the prescribed form (a specimen of which is shown below) during the term of the Collective Agreement.

(SAMPLE)
**MID-TERM AGREEMENT
TITLE**

Number

Date

It is jointly agreed that the following Mid-Term Agreement shall form part of the Collective Agreement between the parties:

THE COMPANY

UNION

- 4.4** Employees shall be allowed access to their own personnel file. Employees should submit the written request to their supervisor. Review of the file shall be carried out in the presence of the supervisor or human resources contact. Additions or deletions to the file shall be made only with the approval of the supervisor and the human resources contact.

**ARTICLE 5
UNION SECURITY**

- 5.1** All employees covered by this Agreement who are members of the Union on the date hereof shall, as a condition of employment, maintain such membership.
- 5.2** Employees who are not members on the date hereof but who become members of the Union subsequent to said date shall as a condition of employment, maintain their membership thereafter.
- 5.3** New employees shall, as a condition of employment, be or become members of the Union within 15 days of their engagement and shall, as a condition of employment, maintain their membership thereafter.
- 5.4** Membership as a condition of employment as specified in 5.1, 5.2 and 5.3 shall not apply while membership is withheld or suspended, or where a member is expelled by the Union.
- 5.5** In all cases for employees in the Collective Bargaining Unit as defined in Article 1, the Company shall be responsible for the signing of dues authorizations and shall deduct from the weekly wages of each employee, an amount equal to the weekly Union dues in effect at the time and shall transmit the monies so deducted to the Financial Officer of the Union at the times designated by the Union.
- 5.6** A Union representative will be given an opportunity to conduct an orientation session for new probationary/regular employee(s) or temporary employees with greater than 6 months' service within regular working hours at a time and of a duration that is mutually agreeable between the Company and the

Union. The purpose is to acquaint the new employee with the benefits and duties of Union membership.

- 5.7 The Company will not oppose any action by the Union to discipline its members as identified in its constitution.

ARTICLE 6 NO DISCRIMINATION

- 6.1 The Company shall not discriminate against an employee because of membership or activity in the Union or the exercise of his/her lawful rights, and any employee covered by the Agreement who feels that he or she has suffered discrimination shall have the right to seek redress in accordance with Grievance and Arbitration Procedures.
- 6.2 An employee who has a complaint with respect to discrimination in the employment relationship, as envisioned under the Human Rights Code, will have access to the internal Human Rights resolution process if he/she so desires. The employee, if he/she so desires, may have a Union representative present. The complaint, the Human Rights resolution process and the results of same shall not be subject to the grievance/arbitration process.

ARTICLE 7 MANAGERIAL RIGHTS OF THE COMPANY

The Company has and shall retain the exclusive right and power to manage its business and direct its working forces including, but without restricting the generality of the foregoing, the right to hire, suspend, discharge, promote, demote, and discipline any employee. The Company shall exercise the said functions in accordance with the provisions of this Collective Agreement.

ARTICLE 8 JOB CLASSIFICATION AND WAGE RATES

Job classification and wage rates shall be as they appear in wage schedules constituting part of this Agreement. The Company shall discuss with the Union any changes to existing job classifications and wage rates, or the introduction of new job classifications and new wage rates. Where a difference arises between the parties, the Company may introduce the new or amended job classification or wage rates; but either party may require that the difference between them be submitted directly to the arbitration process as detailed in Article 2.7 and the decision shall be binding on both parties.

ARTICLE 9
SPECIFIC MATTERS OF AGREEMENT

- 9.1** These matters are to be dealt with in accordance with Parts ‘A’, ‘B’, ‘C’, ‘D’ and the Union Clerical-Technical Job Evaluation Manual.
- 9.2** Where a new field of endeavour is undertaken by the Company and the employees concerned fall within the jurisdiction of the Union by virtue of Article 1, the question of whether such employees will be covered by an existing part of the Collective Agreement, an existing part of the Collective Agreement with special provisions or modifications, or a new part of the Collective Agreement will be one for joint agreement.

ARTICLE 10
SELECTION TO VACANCIES

10.1 General

- 10.1.1** *Effective April 1st 2016*, no person shall be appointed to a vacancy in the PWU jurisdiction until all qualified PWU represented applicants have been selected.
- 10.1.2** If an employee is appointed to a vacancy within the PWU jurisdiction from a bargaining unit which restricts seniority in the Company to its own membership, his/her seniority will be limited to service within the PWU bargaining unit.
- 10.1.3** The Company may request a waiver of Posting and/or Selection from PWU when there are medical reasons related to the employee or his/her immediate family, as verified by the Chief Physician/Manager of the Health Services Department. If the waiver request is agreed to by the Union, the employee will be appointed to the position. ***Such requests by the Company will not be unreasonably denied.***

Employees appointed to positions, which are filled due to an agreed to waiver of posting and/or selection, will be entitled to moving expenses in accordance with the provisions of Part ‘A’, Item 23.0.

10.1.4 Appointments/Notification

- 1.** If the candidate selected has already been appointed to another position, but has not yet reported to the new job, he/she shall be given the opportunity of choosing the one he/she prefers unless it is in the Company’s interest that he/she accepts the first appointment.
- 2.** On request, the Company will explain, in writing, to any unsuccessful applicant for an advertised vacancy, the reason why he/she was not selected for the position.

3. All regular full time and regular part time positions within or one level above the Union's jurisdiction will be advertised province-wide when they become vacant. Selection to be made or the vacancy cancelled within four months after the posting date of the advertisement. Transfers of successful applicants to be made or rate for the new position paid in accordance with the Promotion Rule as identified in Part A, Section 24.1, 60 days from the date of selection for the position.
4. Vacancies as set out in Article 10.5 shall not be subject to the provisions contained herein 10.1.4.7 to 10.1.4.9 inclusive.
5. One electronic copy of all posted vacancies within or one level above the PWU's jurisdiction will be forwarded to the Union as designated by Sector 3 Vice President.
6. One copy of the compiled list of applicants for all advertised vacancies will be forwarded to the Union office.
7. When a final decision has been made, the supervisor of the vacancy will ensure that:

The unsuccessful applicants who were interviewed are notified of the final decision as soon as possible. The name of the successful applicant should be given.

The successful applicant and his/her supervisor is notified.

Notify Human Resources of the name of the successful applicant for publication in the selection notices. This published list will be considered appropriate notification for those applicants who were not interviewed.

8. Similar Vacancies

When a similar vacancy occurs beyond four months following the posting date of the advertisement, it must be re-posted and considered separately.

9. Instructors and Training Technicians

Advertised vacancies for instructors and training technicians may be filled on a temporary basis. The time period shall not exceed 18 months after which the incumbent will revert to his/her regular classification and location. The position(s) will be advertised each time with the provision that an employee will not be selected for two (2) consecutive terms. The employee shall be compensated as per Part 'A' Item 17.1.1 for the position while he/she is retained in it and his/her progression in his/her original classification will not be delayed because of such

temporary assignment. The number of positions in a department filled on a temporary basis will not exceed 50% of the positions filled on a regular basis.

10.1.5 The following definitions shall be used to determine an employee's entitlement to be considered for a non-supervisory vacancy:

(A) Seniority

Except as provided in Section 10.1 of this Article:

1. An employee's seniority, for purposes of selection to vacancies, shall be the service credit as defined in Part 'A', Item 5.0.
2. Service with an acquired company will be added to the employee's seniority.
3. The total service credit with the Company will be used for comparing seniority of applicants rather than service in a position, trade, or occupation.

(B) Base Weekly Income

1. The maximum base rate per classification as shown on wage schedules 20, 21, and 31.
2. The maximum base hourly rate per classification as shown on wage schedules 24, 25, 26, 27, 28, 29, 30 and 32 multiplied by 40 hours.

(C) Promotion Application

1. Where the base weekly income (maximum rate) of the advertised position is higher than the base weekly income (maximum rate) of the applicant's present position.
2. Where an employee submits an application to a position of equal rating (same base weekly income) which requires fewer normal weekly hours of work.
3. Where an employee who presently occupies a position regularly requiring or subject to shift work, applies for a position of equal rating (same base weekly income) but not regularly requiring or subject to shift work.

(D) Lateral Application

Where the maximum rate (base weekly income) of the position applied for is equal to the maximum rate of the applicant's present position and the factors identified in 10.1.5 C (2) and 10.1.5 C (3) do not exist.

(E) Demotion Application

Where the maximum rate (base weekly income) of the position applied for is lower than the maximum rate of the applicant's present position.

10.2 Supervisory Positions

1. In considering applicants for supervisory positions, primary consideration should not be given to seniority but to personal qualities such as leadership, reliability, judgment, ability to organize and instruct and an understanding and a display of the practice of good human relations. For supervisory positions, an endeavour will be made to select the most promising candidate.
2. Only those individuals satisfactorily possessing the above characteristics, as assessed by the Company, should be considered. Where practicable, applicants for supervisory positions should be interviewed by the supervisor responsible for the selection. Seniority will govern only in cases where there does not appear, in the Company's opinion, to be much difference in qualifications.
3. For the purpose of this Article, supervisory positions will include:
 - (a) Union Trades Supervisor – Level 3 and higher positions in the trades
 - (b) Clerical-technical jobs which are credited with degree 3 or higher in the Responsibility for Supervision factor of the Clerical-Technical Job Evaluation Plan.
 - (c) Supervising Meter Reader
4. The provisions of Article 10.2.(3.) above will not affect the status of incumbents for Union representation or the future posting of vacancies as they may occur.
5. Appointments to positions above the jurisdiction of the Union shall not be subject to the Grievance Procedure. However, the Company will give due consideration to representations of the Union where there is evidence of obvious irregularities or discrepancies.
6. Candidates selected to supervisory vacancies which represent a lateral or demotion in accordance with Article 10.1.5 and employed for a

minimum of five years in their current work headquarters shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0. Candidates selected to promotions shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.3 Non-Supervisory Positions: Clerical Technical and Controller/Dispatchers

Exceptions: Positions identified in Section 10.2, 10.4 and 10.5 of this Article.

1. The Company will use all available information and determine those applicants who are qualified to fill the vacancy.

One of the requisites is the minimum years of experience as set out in the job specification. Before any consideration is given to seniority the supervisor responsible for making the selection must determine, from the list of applicants, those employees who have the qualifications to do the job satisfactorily.

A recommendation by the supervisor should then be made from the qualified employees, overall seniority being the governing factor.

An employee's experience with another company will be taken into consideration in determining his/her qualifications for a position.

- 10.3.1** Management reserves the right to restrict the application to a vacancy under Article 10.3 when the selection of candidates, for whom it may result in a lateral or demotion, reduces the capability in a given classification below that considered by Management as required for the effective continued operation of the sending department at a location (eg, P&C Staff at Middleport). In such situations, only those senior qualified candidates will be selected from that department at a location which will not adversely affect its effective continued operation; the remaining senior qualified candidates will be selected from other departments at a location on the same basis. Location is defined in Article 11.3.

Employees will receive written notice from his/her supervisor if their selection may be voided because they cannot be released. A copy of this written notice is to be given to the Chief Steward.

10.3.2 Transportation and Moving Expenses

Candidates selected to non-supervisory vacancies which represent a lateral or demotion in accordance with Article 10.1.5 and employed for a minimum of five years in their current work headquarters shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0. Candidates

selected to the promotions shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.4 Non-Supervisory Positions: Trades

Selection to Trade Classifications on Wage Schedule 25 (Trade Groups 01 and 02), Wage Schedule 28, Wage Schedule 27 (Trade Group 01, 02, 07), Wage Schedule 24 (Trade Group 01, 10).

1. Senior qualified journeyman⁴ from a formally established travelling crew with three (3) or more years continuous service on the travelling crew for whom the vacancy represents an equal classification, provided that not more than 20% of the total classification complement from a travelling crew is transferred in a calendar year. In calculating the 20% attrition ratio, a transfer for purposes of this item will be defined as any employee transfer out of such travelling crew to any position within the Company. Moving expenses as defined in Part 'A', Section 23.5 will apply to such transfers.
2. Senior qualified journeyman applicant for whom the vacancy represents an equal classification.
3. Senior qualified applicant from another classification.
4. The Union will meet with Management twice yearly to participate in the development of selection strategies of the following:
 - (I) Senior qualified journeymen from the PWU Hiring Hall.
 - (II) Senior qualified employees from the PWU Hiring Hall who have successfully completed the Hydro One Inc./**PWU Joint** apprenticeship or are currently enrolled in the Hydro One Inc./**PWU Joint** apprenticeship. This group shall comprise 70% of the selections (rounded to the closest number of employees) under this item provided sufficient applicants are available. Selections beyond 70% require joint agreement.
 - (III) All other regular internal applicants.

Note: When selecting from (I) or (II) above, Section 18 of Appendix "A" shall apply to each group separately.
5. External applicants

⁴ Defined as the qualified journeyman who has the longest tenure on their current formally established travelling crew. Tenure flows between travelling crews if employees are transferred as a result of Article 11.

10.4.1 Selection will be subject to:

- (A) The employee must be releasable in accordance with the provisions of Article 10.3.1. This does not apply to 10.4.(1.)
- (B) Employees with documented performance deficiencies or job related health limitations as identified by the Health Services Department may not be eligible for lateral considerations.

10.4.2 Transportation and Moving Expenses

Candidates selected to non-supervisory trades positions will not be automatically entitled to the moving and transportation expenses provided in Part 'A', Item 23.0. Reimbursement of any such expenses incurred by the employee, in whole or in part, shall be at Management's discretion.

10.5 Non-Supervisory Positions: Other Positions

The following classifications will be selected on the following basis:

- Trades positions of journeyman rank and lower covered by Part 'B' with the exception of Wage Schedule 25 (Trade Groups 01 and 02), Wage Schedule 28, Wage Schedule 27 (Trade Group 01, 02, 07), and Wage Schedule 24 (Trade Group 01, 10).
 - Controller/Dispatcher Trainees
 - Other jobs below Grade 55 covered by the Clerical-Technical Job Evaluation Plan.
1. Article 10.5 vacancies will be internally advertised province-wide for the same time period as other vacancies. Similar vacancies that occur within four months of the posting date of the advertisement will not require posting.
 2. All employees are eligible to apply and will be given fair and objective consideration prior to hiring of applicants from outside the Company. When making appointments, seniority will not be the governing factor.
 3. The senior qualified journeyman applicant for whom the vacancy represents an equal classification will be selected subject to the following:
 - (I) The employee must be releasable in accordance with the provisions of Article 10.3.1.

- (II) Employees with documented performance deficiencies or job related health limitations as identified by the Health Services Department may not be eligible for lateral considerations.
 - (III) When filled by the senior qualified applicant as per the above, the resulting backfill vacancy will be filled in accordance with provisions of paragraph 10.5.(2.)
4. Selection Priority
- Selections will be made in the following order:
- (I) Senior qualified journeyman applicants for whom the vacancy is an equal classification.
 - (II) Applicants selected on the basis of fair and objective consideration.
5. Article 10.5 vacancies are different from other vacancies, hence there shall be no requirement upon the Company to apply the provisions related to posting of vacancies contained in 10.1.4. The successful applicant will be identified in the Selection Notices.

10.5.1 Transportation and Moving Expenses

Candidates selected to vacancies as per Article 10.5 will not be automatically entitled to the moving and transportation expenses provided in Part 'A', Item 23.0. Reimbursement of any such expenses incurred by the employee, in whole or in part, shall be at Management's discretion.

Candidates selected to controller/dispatcher trainee positions who have two years' service shall be entitled to moving expenses in accordance with the provisions of Part 'A', Item 23.0.

10.6 Transition Provisions

- (a) After March 31, 2002, an employee in a bargaining unit whose collective agreement has a reciprocal clause who is in receipt of a notice of termination/layoff from that bargaining unit or who has been laid off and subject to recall or who has been identified as overcomplement is eligible to apply to posted vacancies and placement opportunities in Hydro One. He/she will be given fair and objective consideration for employment before new hires. A successful applicant will transfer his/her service credit and seniority credits to the new Company. No employee hired pursuant to this Article will be entitled to any relocation or moving expenses under the provision of any Collective Agreement.

- (b) Employees in a bargaining unit who are not covered by Item 10.6 (a) may apply for posted vacancies and placement opportunities in another bargaining unit. The employer in receipt of the application has no obligation to consider the application of such employee(s) from another bargaining unit. A successful applicant will transfer his/her service and seniority credits to the new employer.
- (c) The provisions of Article 10.6 (a), and (b) have no application to any person who was not an employee of Ontario Hydro on August 31, 1998 or whenever the move to successor Collective Agreements is complete.
- (d) Any service credit restoration, as per Part A, Item 5.0, shall include service earned as an Ontario Hydro employee and service earned as an employee of any Ontario Hydro successor company.

**ARTICLE 11
SURPLUS STAFF PROCEDURE**

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- 11.18 Limitations to Turnover
- 11.19 Wage Maintenance
- 11.20 Moving Expenses

NOTE:

Appendices A & B of Article 11 form part of this Collective Agreement. Any changes to lists, including the addition or deletion of locations, worksites and work centres shall require joint agreement. Such joint agreement will be reached prior to the movement of staff.

11.0 Worksite Redeployment

This provision may be implemented and completed without activating Article 11 in total.

Employees who are over complement and must redeploy will be given the options of available sites along with the option of severance as described in Article 11.14.1 and item 2(a) below.

1. Within a worksite⁵, Management may deploy employees within equal classifications.
2. Where Management has identified an over-complement in a classification at a worksite(s) and an under-complement at another worksite(s) in an equal

⁵ As defined by Article 11, Appendix B

classification⁶, Management may deploy employees from an over-complement worksite to an under-complement worksite on a senior choice/junior force basis until either the over-complement or under-complement ceases to exist, whichever occurs first.

- (a) A junior employee who refuses to be transferred will be subject to discipline up to and including termination. All disputes regarding the discipline and termination of an employee who refuses a transfer will be referred to Martin Teplitsky for resolution on an expedited basis. An employee who is terminated for refusing a transfer under the terms of this agreement shall be eligible to receive reduced severance pay pursuant to Article 11.14.1(i) as well as Article 11.14.2 (Benefit Continuance/Tuition/ Outplacement Services), if the proposed transfer is to a worksite that is not within a reasonable commuting distance from his/her residence.

Where an employee is terminated for refusing to transfer to a worksite which is within reasonable commuting distance from his/her residence, there is no severance or other provisions payable to such employees.

- (b) Management has the right to determine the classification(s), number of over-complement positions, number of under-complement positions and the worksite(s) that will be dealt with under each operation of this provision.
- (c) Management will provide at least four (4) weeks' notice to employees in the over-complement classification and worksite of the intended date of transfer by posting in the over-complement worksite(s) a notice which sets out:
- the affected classifications;
 - number of positions to be filled;
 - under-complement worksite(s); and
 - proposed transfer date.

Subsequent to this four (4) week posting employees designated for transfer will be provided with at least two (2) weeks' notice of their actual transfer date. In determining an employee's transfer date the company will consider the personal circumstances of the employee and the business needs of the company. A copy of this notice will be provided to the PWU Sector 3 Vice President.

- (d) Employees transferring will be entitled to moving expenses and housing assistance as set out in Part A, Item 23 except where as a result of the

6 As defined by Article 11

transfer the employee has a different work headquarters that is within a reasonable commuting distance from his/her residence.

3. Under-complement positions that remain vacant after the operation of 1 and 2(a) will be posted in accordance with the Collective Agreement.
4. If the transfer results in a move to a lower-rated equal classification, wage maintenance as per 11.19 will apply.
5. There will be no permanent transfers under this Article into a worksite/centre which has been identified as a worksite/centre to be closed permanently during the 18 month period following intended transfer date.
6. Medically restricted at work (MRAW) employees who have had a special position created for them cannot be terminated for refusing a transfer under 11.0 (2). In the event that there is a closure of a worksite, the MRAW employee will transfer in accordance with this Article and where necessary be accommodated in accordance with applicable legislation.
7. Performance Limitations: When an individual has a verifiable physical or medical limitation and is not required to be accommodated under the Human Rights legislation and which prevents him/her from performing the essential functions of a job in his/her Occupational Group Listing (OGL) into which he/she may be transferred, and which is voluntarily identified in advance of determining those to be transferred, the Company and the Union will meet to discuss this individual. It is understood that if there is no mutual agreement the Company may proceed to implement the layoff. Nothing in this Article is intended to require any employee to self-identify or to modify in any way the rights or obligations of the Company, Union or employee under the Human Rights legislation.
8. Employees on pregnancy/parental leave, or assignment outside Ontario or approved leave of absence, vacation, sick leave will be subject to this process and be required to participate as if they were in their regular position. Such employees will assume their new positions upon return and until such time the positions will be filled on a temporary basis if required by the Company.

The company will make reasonable efforts to contact personally employees on such leave but in any event such employees will be provided with written notification that the Company is initiating a worksite redeployment. The Company can only rely on the last address and telephone number provided by the employee.
9. Employees on LTD including those in a LTD funded Rehabilitation and Re-employment Program may not be subject to the provisions of Article 11.0.

10. Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with worksite redeployment, with joint agreement may be given special consideration for worksite protection/preference.
11. Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

11.1 Surplus Staff Procedure – Sequence of Events

Prior to/in place of the implementation of the surplus staff procedure outlined below the Company will offer Cash Out to employees in a location in an over complement classification (or equal classification) to eliminate the over complement situation. Employees who elect to accept the Cash Out offer shall be eligible to receive the provisions of Article 11.8.1.

In the event that the number of employees to be issued initial notice of termination/layoff is 40 or less, the process outlined below shall be modified such that only those employees impacted as a result of the layoff or displacement process shall participate. The company will provide the PWU a listing of those employees who will receive initial notice of layoff/termination and those employees potentially impacted by the displacement process two weeks in advance.

Layoffs/Termination(s) of regular employees, as a result of the operation of Article 11.1 will be implemented a maximum of once each calendar year.

1. The Company will notify the PWU and the Job Evaluation Department of the intention to run Article 11 approximately two weeks in advance. Job challenges and Management job reviews will be frozen from the date of this notification until the announcement date of the results of Article 11.
2. All regular employees will have a completed option election form retained on their personnel file (901). Approximately one week prior to notice date, all regular full-time and regular part-time employees shall be provided with a personal information package.
3. The Company will give initial notice of termination/layoff in accordance with Article 11.5.
4. The Company will confirm to employees all information received on revised Option Election Forms.
5. Requests to correct employee base data (in item #2 above) are received by the PWU from the employee and forwarded to the Company.

6. Employees who received initial notice of termination/layoff and employees who are in an equal classification at the location shall receive priority consideration to posted vacancies which represent a lateral or demotion, commencing 8 (eight) days after initial notice has been provided.
7. After all data is collected and the Company is in a position to apply Article 11, there will be a “freeze” period during which vacancies will be held open. This period shall be for a minimum of three weeks before employee displacement rights are determined and announced by the Company. These vacancies may be filled on a temporary basis during this freeze period pending the determination and announcement of the results of the application of Article 11.
8. Employee displacement rights will be determined and those employees who will be displaced, laid off and/or terminated shall be identified. All displacements and the names of employees to be laid off or terminated will be identified “on paper” at the outset prior to implementation of any changes resulting from the announced reduction of complement.
9. The names of the employees who will be displaced, laid off and terminated shall be announced.
10. After the Company announces the results of the application of Article 11, employees displacing into another location will be identified and worksite/centre preference will be determined by seniority on a senior choice/junior force basis.
11. The “freeze” on filling vacancies ends at the time of the announcement. During the period after the announcement and prior to the date of termination set out in the initial notice of termination/layoff, the Company, pursuant to Article 10, will post vacancies which remain unfilled after the displacement process and new vacancies as they arise. Employees faced with layoff shall be given priority consideration to such vacancies which represent a lateral or demotion over other applicants. If vacancies remain unfilled after the Article 10 process, during the period prior to the layoff fair and objective consideration for such vacancies will be given to applications from employees to be laid off.
12. The implementation of displacements, layoffs and terminations pursuant to the Article 11 process will commence on the date of termination/layoff identified in the initial notices unless extended by the Company in accordance with the *Employment Standards Act* and regulations and subject to any “reversals” which may have occurred as a result of employee terminations.

11.2 Application

- (a) This procedure applies only to the bargaining unit in this Collective Agreement.
- (b) This procedure applies to regular full-time and regular part-time employees. The displacement and recall rights of probationary employees and regular-seasonal employees are limited to those contained in 11.12.
- (c) The Company will supply the PWU Bargaining Resource Department with an accurate computerized seniority list (see note below) separated by Occupational Group Listings (OGL's) and sorted by province and locations on February 1st and August 1st and at the time the Company gives initial notice of termination/layoff under this Article.

The Company will also post a seniority list in each worksite on February 1 and August 1. The seniority list will be a single list of employees, which will include the following information (subject to revision after consultation with the Company and the PWU):

- Name/employee number
- ECD
- Base OGL
- Level
- OCC code
- Title
- Building code
- Geographic location
- Status
- Business

In the absence of a challenge in writing by the Union within thirty (30) calendar days of posting, the seniority list will be deemed to be accurate and the Union will not subsequently be able to challenge the accuracy of the list. In the event of a challenge, the parties will try to resolve any differences. If there is no agreement, either party may refer the challenge to Arbitrator Teplitsky under the expedited dispute resolution process for deciding OGL disputes.

NOTE

The computerized seniority list provided to the PWU will contain the following data:

Last Name, Initials, ECD, Occupational Code, Job Title, Schedule, Base Occupational Group Number, Grade, Location, Building Code, Payroll

Number, Business Unit, Division, Department, Hours of Work, Date of Notice of Termination/Layoff, Date of Expiry of Recall, End Rate of Classification.

(d) Approximately one week prior to notice date, all regular full-time and regular part-time employees shall be provided with a personal information package containing the following:

- Name
- Employee Number
- Established Commencement Date (ECD)
- Base Building Code
- Geographic Location
- Occupation Code
- Job Title
- OGL number and level
- Current Option/Election form choices
- Blank Option/Election form
- Listing of locations (Appendix A)
- Copy of Hydro One Inc. maps

In the absence of a written challenge by the union prior to freeze date, the employee data will be deemed to be accurate and the union will not subsequently be able to challenge the accuracy of the information.

(e) Medically Restricted at Work (MRAW) employees who have had a special position created for them cannot be displaced. In the event that there is a closure of a worksite or the special position is redundant, the MRAW employee will displace in accordance with this Article and where necessary be accommodated in accordance with applicable legislation. For purposes of Article 11 the MRAW employee will be deemed to be in the classification held immediately prior to being placed in the special position.

(f) Performance Limitations: When an individual has a verifiable physical or medical limitation and is not required to be accommodated under the Human Rights legislation and which prevents him/her from performing the essential functions of a job in his/her Occupational Group Listing (OGL) into which he/she may be displaced, and which is voluntarily identified in advance of determination of displacement rights following notice of layoff, the Company and the Union will meet to discuss this individual. It is understood that if there is no mutual agreement the Company may proceed to implement the layoff. Nothing in this Article is intended to require any employee to self-identify or to modify in any way the rights or obligations of the Company, Union or employee under the Human Rights legislation.

(g) Employees on pregnancy/parental leave, or assignment outside Ontario or approved leaves of absence, vacation, sick leave will be subject to this process

and be required to participate as if they were in their regular position. Such employees will assume their new positions upon return and until such time the positions will be filled on a temporary basis if required by the Company.

The Company will make reasonable efforts to contact personally employees on such leave but in any event such employees will be provided with written notification that the Company has initiated lay-off procedures and that their employment status may be affected. The Company can rely on the last address and telephone number provided by the employee.

- (h) Employees on LTD including those in a LTD funded Rehabilitation and Re-Employment Program may not displace nor are they subject to displacement.
- (i) Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with displacement or layoff, with joint agreement may be given special consideration for worksite protection/preference.
- (j) Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

11.3 Definitions

- 1. “Base weekly rate” and “base hourly rate” include pay equity adjustments.
- 2. “Classification” shall mean an employee’s trade or job title.
- 3. “Equal Classification” or “Equal” is a classification in an employee’s OGL where the base weekly rate or base hourly rate is the same except that:
 - (a) Some hourly rated trades have been identified as equals where most of the job duties are the same but the wage rate is different.
 - (b) For pay equity adjusted rates, equal will be deemed to be those jobs whose terminal rates meet or exceed the Step 3 rates listed on Salary Schedule 20.

Example 1: Grade 55 + PEA, equivalent to Grade 57, Step 2 = Grade 56 and can displace Grade 56 jobs under Article 11 (Grade 56 (no PEA) can also displace this Grade 55 job).

Example 2: Grade 55 + PEA, equivalent to Grade 58 Step 2 = Grade 57 and can displace Grade 57 jobs under Article 11 (Grade 57 or 56 (no PEA) can also displace this Grade 55 job).

4. Lower: Lower Classification or Lower is a classification in an employee's OGL where the base weekly rate or base hourly rate is lower.

For pay equity adjusted rates, lower will be deemed to be those jobs whose terminal rates are lower than the Step 3 rates listed on Salary Schedule 20.

Example 1: Grade 56 (no PEA) is lower than a Grade 55 + PEA equivalent to Grade 57 Step 3.

5. "Worksite" is a place of operations as identified by building code(s) and identified in Appendix A. An employee's worksite will be their regular work headquarters as defined in Part A, Item 18.2.
6. "Work Centre" as identified in Appendix A.
7. "Location" means a geographic area which includes worksite(s) and/or work centres. Locations are identified in Appendix A.
8. "Occupational Group List (OGL)" means a jointly agreed to list of Equal and Lower classifications into which an employee can exercise displacement rights. OGLs are equals and lowers within the appropriate job family which an employee can satisfactorily perform within a reasonable period of familiarization and orientation.
9. "Surplus Employee" is an employee who has been given notice of termination/layoff by the Company or an employee who may be displaced or who is displaced from his/her position.
10. (a) "Seniority" means the service credit as defined in Part A Section 5.0, except for the restrictions contained in Article 10.1.2.
(b) Where employees have the same seniority the employee with the highest employee number is deemed to be the more senior employee.

For purposes of determining displacements, layoffs and terminations, seniority will be calculated as of the date of the initial notice of termination/layoff. For all other purposes including subsequent layoffs, seniority will continue to accrue.

11. "Job Family" is a collection of jobs or job classifications involved in the same general nature of work.

It is recognized that some jobs straddle two (2) job families, e.g., technical-clerical. For these exceptions, jobs from both families may be included in the OGL.

The family for those jobs which do not neatly fall into one of the below will be jointly determined as required.

There are four families as listed below:

Clerical: Involving gathering, analysing, processing, recording, disseminating information or data, and/or the operation of miscellaneous office machines or equipment.

Technical: Involving the choice, application and/or manipulation of formulae, principles, techniques or natural laws in practical, mechanical or industrial arts or applied sciences.

Drafting: Involving the drawing up or preparation of plans, drawings, bills of materials, etc.

Trades/Controller/Dispatcher:

Involving skilled labour in areas such as electrician, mechanic, Regional Maintainer, labourer, controllers/dispatchers, etc.

12. “Former Classification” is defined as the position/ classification (previous occupation code) last occupied by the employee within five years of the Notice of Termination/Layoff excluding relief, acting and temporary assignments. If the previous occupation code has been obsoleted and replaced by a new code, the new code and the old code will be deemed to be one and the same code for the purposes of determining former classification.

11.4 Occupational Group Listings (OGLs)

1. For a job to be included in an OGL, it must be a job which can be satisfactorily performed by the average employee in the surplus classification within a reasonable period of familiarization and orientation. This period will vary depending on the complexity of the job.
2. All existing jobs are placed in OGLs. OGLs shall be part of this agreement but shall be published in a separate publication.
3. New OGLs shall be jointly developed for new jobs or for existing jobs which have materially changed or for jobs which have the wage rate adjusted. If the parties cannot agree on an OGL, the dispute will be referred to Arbitrator Teplitsky for resolution in accordance with Article 11.4.2.

11.4.1 Failure to Demonstrate Qualifications

Once an employee displaces into a position in an OGL, the employee must be able to demonstrate an acceptable level of performance within a reasonable period of familiarization and orientation. Failure to achieve an acceptable level of performance

in this time will result in layoff with severance as per 11.14 and recall rights to their pre-displacement classification.

11.4.2 Expedited Grievance and Arbitration Process for Job Classification Grievances and OGL Dispute Resolution

If the parties cannot agree on an OGL the disputes will be referred to Arbitrator Teplitsky for resolution as per Article 2.7 Dispute Resolution – Article 8, Plan B and OGL Process.

1. In the event of any lay-off, it is the parties' intention that best efforts will be used to resolve outstanding disputes before the beginning of the "freeze" period which precedes the announcement of displacement rights and the expedited procedure established herein will be used for this purpose. Where possible, priority shall be given to those disputes which could have an influence on classifications which may be affected by the proposed layoff. However, any unresolved disputes will not stop the Company from implementing any terminations/layoffs.

11.5 Notice of Termination/Layoff

1. The Company will give initial notice of termination/layoff to the most junior employees in a classification in a worksite. Employees who receive initial notice of termination/layoff shall also receive cash-out information, selection priority information, and personal OGL information. Notices listing those employees receiving initial notice of termination will be posted at all Company worksites/centres. Pursuant to the terms of this Article, employees receiving such notice will be permitted to take another position in the Company as a result of which some other person either loses his/her position and is permitted to take another position or loses his/her employment. Such notice shall be deemed to be notice of termination to all affected employees including to those employees who may be displaced and to those employees whose employment is terminated or who are laid off.
2. Employees receiving initial notice of termination/layoff will be provided with two (2) months' notice of termination/layoff. An employee who has been given notice of termination/layoff may be given temporary work following the date of termination in accordance with the *Employment Standards Act* and regulations.
3. When an employee is given notice of termination/layoff the Company will notify the Union office and Chief Stewards within three working days from the date the employee is notified. The Union will be responsible for keeping the Company advised of the names of all Chief Stewards.

11.6 Employee Elections

1. All employees will be required to supply the Company, by a date determined by the Company, with information necessary to enable the Company to make decisions relating to employee displacements in Locations, and the Province. This information will be provided by employees on the Option/Election Form and a Location Preference Ranking Form, both of which are computer readable. The employees will rank all locations outside of their own in order of preference on the Location Preference Ranking form.
2. The information provided by the employee on the forms will amount to a decision by each employee, unless amended as set out in 11.6(4). The Company will be entitled to rely on this information for purposes of applying the provisions of Article 11.
3. In addition to providing other information requested on the Forms provided, employees shall elect to be placed into positions in their OGLs in one of two streams, either the Equal Stream or the Lower Stream. The employee may also elect to displace outside his/her OGL pursuant to 11.11.1(2) by supplying the required information.
4. Each employee will ensure the Company has an updated option election form, to be maintained in his/her personnel file. When the Company initiates a layoff of employees under this Article, employees will have the opportunity to amend the option election form. Revisions to the option election form must be received prior to freeze date. The employee will be provided with a written confirmation of the information provided (refer to Article 11.1). If there is no request to amend by the employee by freeze date, the information contained in the confirmation shall be deemed accurate for all purposes.

11.7 Failure to Complete the Form

Any employee failing to supply the information requested on the forms, who receives initial notice of termination/layoff or is displaced, will be deemed to have chosen a lower classification in his/her Location and will not be entitled to displace into an equal or lower classification in the Province regardless of seniority. If there is no position in a lower classification in the Location into which he/she can displace, the employee will be laid off with recall or severance rights as per 11.14.

11.8 Cash Out During the Notice Period

1. Where a reduction in complement is to take place in a classification in a Location, all employees in that classification (or in an equal classification) in that Location may notify the Company of their desire to resign from the Company during the notice period. Upon request by an employee, the Company will provide relevant pension and benefit information to enable him/her to make an informed decision prior to being required to give notice of his/her intention to cash out during the notice period. Written notification

by the employee of his/her desire to resign must be given within 7 days of receipt of the notice of termination/layoff. From the total number of eligible employees who indicate that they wish to resign, the Company will accept on a seniority basis a number from the classification (or an equal classification) equal to the number of surplus employees in the classification in that Location. Those employees accepted must resign and will receive:

- (i) severance pay as per Article 11.14; and,
- (ii) base pay from the employee's date of resignation to the end of the two (2) month notice period provided in the notice of termination/layoff, plus a lump sum payment (in lieu of notice) equal to three (3) months base pay (total = 21 weeks). (For employees who resign within the seven (7) day period and whose resignation is accepted, the payment will be five (5) months pay.)

The maximum number of weeks payable (i + ii) shall be 104.

2. Where the number of eligible employees who have resigned in the 7 day period is less than the number of surplus employees in a classification in the Location, additional resignations will be accepted on a first come basis from employees in that classification (or in an equal classification) until the freeze period commences or until the resignations from eligible employees equal the number of surplus employees in the classification in the Location. The resignation by the employee must be in writing in order to be accepted by the Company.
3. Employees who resign with cash out may not be from the worksite/centres or the actual classification with the surplus and a temporary deployment of employees to other worksite/centres within the location may be required to balance the complement.

To achieve this balance between worksite/centres the most senior employee who is prepared to accept the transfer and who is in the classification or an equal classification in which there is an overcomplement, and is at the worksite/centre from which an employee is to be transferred will be selected to the position. In the absence of senior volunteers, the most junior employee in the classification or an equal classification will be transferred to the position.

11.9 General

1. All employees work at a worksite or work centre in a Location.
2. Each employee shall have the responsibility to notify the Company of his/her current address and telephone number and any subsequent change. The

Company shall be entitled to rely on the last address and telephone number furnished by the employee for all purposes.

3. Grievances under this agreement or a predecessor agreement which have not been resolved before the commencement of the freeze period do not affect the Company's right to layoff pursuant to Article 11.
4. At least two weeks before the determination of employee rights and the announcement of the results of the application of Article 11, a freeze period shall be implemented wherein all vacancies shall be held and filled temporarily where necessary. This freeze on filling vacancies shall end when the results of the application of Article 11 are announced.

11.10 Senior Choice/Junior Force (Province Displacement)

The principle of "senior choice/junior force" is designed to allow senior employees to have Location preference where it is available. Employees who can be displaced in a Location, in the Province are always the most junior employees in the classification into which the more senior employee can displace.

Therefore, the Locations in which the most junior employees in a classification are employed are the Locations which are available to more senior employees who may wish to exercise displacement rights out of one Location and into another in the Province. Where there are junior employees in Locations who may be displaced, senior employees will be given Location preference to the extent possible. However, the Company will assign an employee to an available position to a location in the Province where the employee's preference is not accommodated (i.e., he/she can be forced to accept a particular Location).

11.11 Displacements

- (a) Subject only to the provisions of paragraph 11.11.1 (2), an employee can only displace another employee of less seniority in classifications within his/her occupational group list.

Regular-Seasonal and Temporary positions and Agency employees are also displacement opportunities for regular employees in the absence of any regular positions.

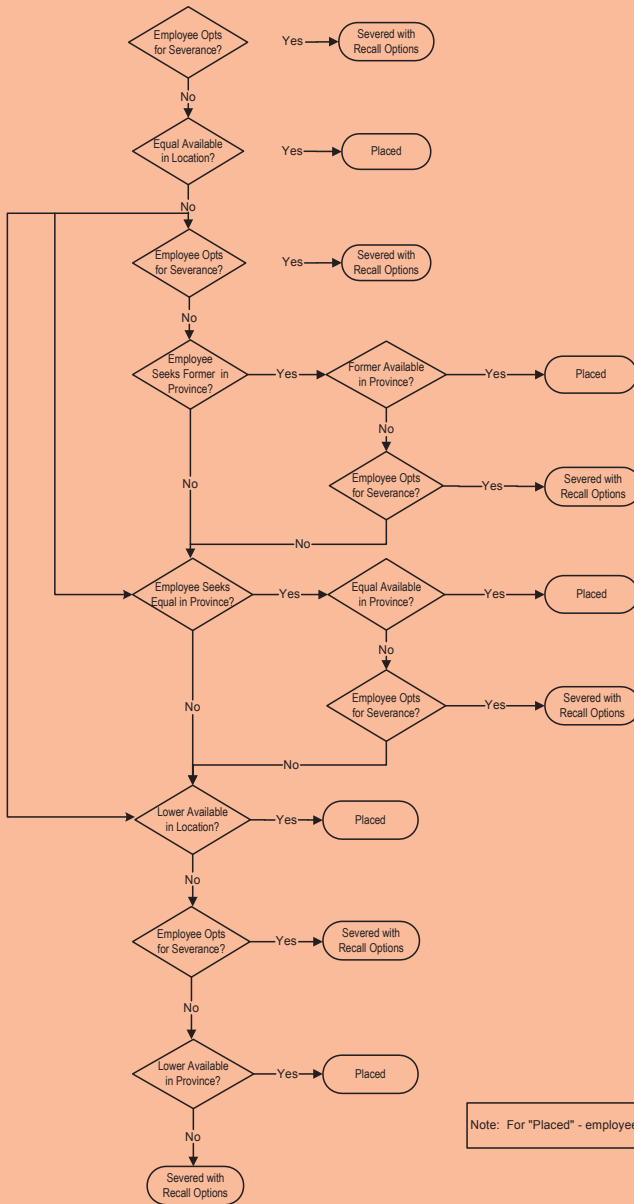
- (b) A regular full time employee may elect, in advance on the Option/Election Form, to decline all available regular part time positions. A regular part time employee may elect in advance, on the Option/Election Form to decline all available full time regular positions. The employee must indicate his/her choice on the election option form failing which the employee will be deemed to have chosen to displace into both regular full time or regular part time positions.

Each employee must indicate his/her status (i.e., regular full-time or regular part-time) on the Option/Election Form. The employee's designation must be accurate. The employer will confirm the designation.

- (c) When an occupational group has more than one classification at the same level, the least senior employee shall be the most junior among all of the classifications at that level.
- (d) A vacancy within an employee's OGL is deemed to be the junior equal (see process in 11.11.1 below) or lower, (see process in 11.11.2 below) in all applications of the displacement process.
- (e) Displacements shall be on a senior choice, junior force basis.
- (f) Apprentices or Trainees are granted displacement rights into the classifications listed in the OGL of his/her terminal rated classification. An Apprentice or Trainee can displace a junior employee within his/her OGL including a Journeyman. If an Apprentice or Trainee displaces a Journeyman in an equal classification, the apprentice or Trainee will continue in the apprenticeship program and will be paid as per their progression schedule.
- (g) Seniority rights outside the Location are only exercisable in the Province by employees with seniority of two (2) years or more.

Article 11 Displacement Flowchart

(This chart shall be read in conjunction with the text of the Collective Agreement).



Note: For "Placed" - employee must take if available.

11.11.1 Equal Stream

1. At the location an employee must displace the least senior employee in an equal classification. Refusal to accept results in termination of employment. If no position is available, then;
2. Where an employee has so elected on the Option/Election Form, he/she must displace the most junior employee with less seniority in the Province in the employee's former classification provided the employee was in the classification within five years of the date the notice of termination/layoff was issued pursuant to 11.5. Failure to accept results in termination of employment. If no position is available, then;
3. The employee will move to the "Lower Stream", or, if eligible, the surplus employee who has elected to displace in an equal classification in the Province must displace the most junior employee with less seniority in the Province. Refusal to accept results in termination of employment. If no position is available, then;
4. The employee will move to the "Lower Stream".

11.11.2 Lower Stream

1. An employee who has elected to displace in the Lower Stream must displace the least senior employee in an equal classification in the Location. Refusal to accept results in termination of employment. If no position is available, then;
2. An employee who has elected to displace into a lower classification and an employee not placed in the Equal Stream must displace the most junior employee with less seniority in next lower classification in his/her Location. If no position is available, then the employee will go to lower classifications in descending order in his/her Location until placed. Refusal to accept results in termination of employment. If no position is available, then;
3. An employee who has elected to displace into a lower classification must displace the most junior employee with less seniority in next lower classification in the Province. If no position available then the employee will go to lower classifications in the Province in descending order until placed. Refusal to accept results in termination of employment. If no position is available, then;
4. The employee is laid-off with recall rights.

11.11.3 Senior Choice/Junior Force (Within Location)

After the Company announces the results of the application of Article 11, employees displacing into another location will be identified and worksite/centre preference will be determined by seniority on a senior choice/junior force basis.

Employees displacing into a location will be given worksite/centre preference within the location to the extent possible on a seniority basis. Where there is more than one (1) employee displacing into a classification in a location, the principle of senior choice junior force will be applied to displace the most junior employees in the classification in the worksites/centres. In the absence of senior volunteers, the most junior employee in the classification will be transferred to the position.

11.12 Displacement and Recall Rights

The following sets out in full, the displacement, recall and severance rights, if any, for Probationary and Regular-Seasonal.

11.12.1 Probationary Employees

1. A probationary employee will displace the junior employee of lesser seniority in the next lower classifications in their OGL in descending order within his/her worksite/centre.
2. If 1. is not available, a probationary employee can displace a temporary employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.
3. If 2. is not available, a probationary employee can displace an agency employee in an equal or lower classification in his/her occupational group within his/her line of business in head office or within his/her worksite/centre outside of head office.
4. If 3. is not possible, employment is terminated.
5. Probationary employees shall not be entitled to recall rights or severance pay.

11.12.2 Regular Seasonal

1. A Regular Seasonal employee can displace a temporary employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.
2. If 1. above is not available, a regular seasonal employee can displace an agency employee in an equal or lower classification in his/her occupational group within his/her worksite/centre.
3. If 2. above is not available, employment is terminated.

4. Regular seasonal employees shall be entitled to recall to temporary positions for a period of three years from the date of last termination.
5. A regular seasonal employee shall be entitled to recall to their Location, provided they have at least 24 months accumulated service.
6. To be recalled the employee must have filed a written request with the Company prior to March 1 of each year.
7. A person who is recalled by the Company shall be personally contacted when possible. Failing this contact a recall notice shall be forwarded by registered mail addressed to the last known address that he/she has recorded with his/her human resources manager. They shall be obliged to advise his/her supervisor of his/her intention to return to work within three working days and shall be available for work within five working days after receipt of recall notice.
 - (a) Except in case of sickness, failure to be available for work within five days of issuance of the recall notice shall make him/her ineligible for any further recall.
 - (b) It shall be the person's sole responsibility to inform the Union and the personnel manager in writing of any change of address. The Union will be notified in writing when persons are recalled to vacancies.
8. The Company shall notify the employee in writing at time of termination of the recall procedure. If the employee is not considered suitable for recall they shall be notified in writing and a copy of this letter shall be given to the employee's Chief Steward. Upon request the Company will provide the employee with the reasons why they are not considered suitable for recall.
9. The Company may hire a temporary employee for a period not exceeding one month without using this recall procedure.
10. Summer students both secondary and post secondary levels have no rights to this recall procedure.
11. A Recall List from each work Location for regular-seasonal employees shall be provided to the Chief Steward concerned.
12. Regular seasonal employees shall not be entitled to severance pay except in the case of permanent layoff. When permanently laid off severance pay will be calculated on actual time worked.

11.13 Permanent Location Closings

There will be no permanent displacements or moves into a worksite/centre which has been identified as a worksite/centre to be closed permanently during the 18 month period following notice of layoff/termination.

11.14 Severance Pay

Except as set out in 11.14.1, employees eligible for severance under Article 11 will receive the following:

- (a) An employee receiving severance pay waives any other rights under Article 11.
- (b) An employee may direct all or a portion of his/her payment into an RRSP up to the amount permitted by law. The employee shall provide the Company with the TD2 Form directing the payment into his/her RRSP.
- (c) An employee entitled to severance pay under 11.14 may elect to take a lump sum severance payment, or severance may be divided into two (2) equal instalments, the first on the date of termination and the second on or about January 15 of the following year, subject to statutory deductions, as follows:
 - (i) 4 weeks' base pay per year of service up to a maximum of 104 weeks' base pay (payments for incomplete years of service will be pro-rated).
- (d) For purposes of clarification at any time during the three (3) year recall period, a laid off employee may opt for his/her full severance entitlement, once this election is made all recall rights will cease.
- (e) For regular part-time employees severance payments shall be pro-rated.

11.14.1 Reduced Severance Pay on Refusing a Position

- 1. An employee who refuses to accept a position under Article 11.11.1 or 11.11.2 (except in 2. below) will be terminated and is disqualified from receiving severance pay under Article 11.14 and shall have no recall rights under Article 11.17. Such employees may elect to take a lump sum severance payment, or severance may be divided into two (2) equal instalments, the first on the date of termination and the second on or about January 15 of the following year, subject to statutory deductions as follows:
 - (i) two weeks' base pay per year of service up to a maximum of 52 weeks' base pay (payments for incomplete years of service will be pro-rated).
- 2. In cases where an employee refuses to accept a position where the new classification provides either a reduction of base wages of two (2) or more salary grades for job evaluated positions or in excess of 10% for others, the employee will receive severance pay pursuant to 11.14.

3. An employee may direct all or a portion of his/her payment into an RRSP up to the amount permitted by law. The employee shall provide the Company with the TD2 Form directing the payment into his/her RRSP.
4. For regular part time employees severance payments shall be pro-rated.

11.14.2 Benefit Continuance/Tuition/Outplacement Services

A surplus employee who takes severance pay and terminates his/her employment is entitled to:

- i) coverage under the Company's Health and Dental Plan for a period of six (6) months from the date of termination of employment or until the commencement of alternate employment whichever occurs first;
- ii) reimbursement for tuition fees and other associated expenses up to a maximum of \$5000.00 upon production of receipts from an approved educational program within 12 months of his/her termination;
- iii) outplacement services; the Company will determine the level of service and the service provider.

11.15 Failure to Report to Assigned Positions

In the event that an employee declines an assigned position and is terminated, or does not displace into a job occupied by another employee, or terminates after displacing another employee, the Company may reverse the displacement and leave the employee who would have been displaced in his/her job or return the displaced employee to his/her job. In all instances as described above the terminating employee will be entitled to severance pay in accordance with the appropriate sections of this Article.

Any vacancy which results from such a reversal will be filled by moving the previous incumbent back to his/her job. In other words, the chain of bumps (i.e., the displacement thread) caused by the initial reversal will be reversed except in circumstances set out below.

Where an employee has relied to his/her detriment on the announced relocation, and would be prejudiced by revocation of the displacement, the employee will not revert to his/her original position. Where the Company would be prejudiced, the employee will not revert to his/her original position even if the employee does not object.

The declining of an assignment will not require the Company to re-do the Article 11 process.

11.16 Selection to Vacancies

Between the end of the 7 day cash out window and freeze date and after the end of the freeze period all positions which remain unfilled and any new vacancies which arise

shall be posted under Article 10. During the period after the end of the 7 day cash out window and before freeze date and after freeze date but before announcement of results, priority consideration for vacancies which represent a lateral or demotion will be given to surplus employees and to those employees who are in an equal classification (to the over-complement employee) in the location. After announcement of results and before layoff occurs applications from employees who are to be laid off shall be given fair and objective consideration for vacancies. Employees who, prior to being laid off, applied for vacancies continue to be entitled to fair and objective consideration for those vacancies after lay-off. If selected to a vacancy posted prior to the date of layoff, the employee is eligible for moving expenses under Article 11. Among successful applicants seniority shall govern selection where all other factors are relatively equal.

11.16.1 Jurisdiction

No person outside the Union's jurisdiction will be selected to a vacancy commencing with the issuance of the notice of termination/layoff pursuant to 11.5 until:

- (i) All qualified PWU members are selected, including persons on the recall list, and,
- (ii) All PWU applicants entitled to fair and objective consideration are selected pursuant to 11.16.

11.16.2 Selection Priority

The following applies for equal and lower-rated vacancies.

Each category will be considered independently and in the order indicated:

- (i) Surplus employees and those employees in an equal classification to the surplus employee at the location where the surplus exists.
- (ii) As per Article 10.

11.17 Recall

1. Laid off employees who do not receive severance payments shall have recall rights.
2. Employees who are laid off will be entitled to recall to classifications in their OGL for a period of three (3) years from the date of his/her layoff. Recall lists will be maintained province wide.

If a person is recalled within one year of the date he/she was laid off, entitlement to vacation credit, seniority, and sick leave credits shall be the same entitlement as on the day of termination less any vacation allowance received at termination.

If a person is recalled during the second or third year after layoff, he/she shall be treated as a new employee for all purposes. Service credit will be restored in accordance with Part A, Item 5.3.

Reinstatement in the pension plan shall be in accordance with the pension regulations.

3. A person who is recalled shall be personally contacted by the Company where possible. Failing this contact, a recall notice shall be forwarded by registered mail addressed to the last known address that he/she has recorded with his/her Human Resources Manager. They shall be obliged to advise his/her supervisor of the intention to return to work within five (5) working days and shall be available for work within ten (10) working days after receipt of the recall notice.

NOTE

- (i) It shall be the employee's sole responsibility to inform the Union and the Human Resources Manager in writing of any change of address. The Union will be notified in writing when employees are recalled to vacancies.
 - (ii) Except in the case of sickness, failure to be available for work within ten (10) days after the receipt of recall notice shall make him/her ineligible for any further recall.
4. Except as noted later in this paragraph, if an employee refuses recall to a regular full time equal position or lower position at the location level he/she will be removed from the recall list and be entitled to reduced severance pay in accordance with 11.14.1. In cases where an employee refuses to accept recall to a position where the new classification provides either a reduction of base wages of two (2) or more salary grades for job evaluated positions or in excess of 10% for others, the employee will remain on the recall list. Refusal to accept recall to any position outside the Location will not result in loss of recall rights.
 5. At any time during the three (3) year recall period, a laid off employee may opt for his/her full severance pay entitlement. Once this election is made all recall rights will cease.
 6. If at the end of the three (3) year recall period an employee has not been recalled or has not elected to receive severance pay, he/she will automatically receive the full severance pay entitlement.
 7. An employee who is laid off and does not elect to accept severance payment shall be entitled to receive:

- i) coverage under the Company's Health and Dental Plan for a period of six (6) months from the date of commencement of layoff or until the commencement of alternate employment whichever occurs first; and
 - ii) reimbursement for tuition fees and other associated expenses up to a maximum of \$5000.00 upon production of receipts from an approved educational programme within 12 months of his/her layoff; and
 - iii) outplacement services; the Company will determine the level of service and the service provider.
8. Persons on the recall list will be recalled for vacancies contained in their OGL's which are posted as per Article 10 and 11.16 prior to the selection of candidates to whom they are senior.
9. People on recall will have the first priority on a seniority basis for temporary positions in their OGL arising at their location which were not filled by any displacements. Where such a temporary position also represents a recall opportunity for a regular seasonal, the position will be offered on seniority.

11.18 Limitations to Turnover

- (a) A maximum of 51 percent (51%) of employees in a classification in a worksite/centre may be displaced during one single application of Article 11. Where there is only one employee in the classification in the site/centre he/she may be displaced.

Subject to operating exigencies for the purposes of this item, all classifications of controller/dispatcher/trainees at a worksite/ workcentre will be deemed to be in equal classification.

- (b) The limitation to turnover (51%) will apply to all personnel within a classification within a worksite/centre regardless of assignment to day work or shift work.
- (c) Where employees displace to vacant positions such vacancies will not be counted as part of the percentages applied to limitation to turnover.

11.19 Wage Maintenance

When an employee displaces another employee and is reclassified to a lower-rated position, or when an employee is selected to a lower rated vacancy pursuant to 11.16 they will receive wage maintenance. His/her wage rate will be adjusted downward in accordance with the following:

- (i) Employees with two or more years' service will have their rate frozen for a period of three months at which time a two percent (2%) reduction in rate will

take place. Subsequent reductions of two percent will take place annually thereafter until the maximum rate for the lower rated job is reached.

- (ii) Employees with less than two years' service will have their rate frozen for a period of three months, after which time their rate will be adjusted to the maximum rate for the new job.

11.20 Moving Expenses

Notwithstanding Part A, Item 23 the Company will not be required to pay the moving expenses of an employee householder who displaces another employee or is selected to a vacancy and as a result has a different regular work headquarters which is within reasonable commuting distance from his/her residence. Where an employee is entitled to receive moving expenses, the amount of expenses will be in accordance with Part A, Item 23. Such moves will be treated as Company-initiated moves.

Except as is provided for in 11.16, the Company will not be required to pay moving costs of an employee who is recalled from layoff.

ARTICLE 12 PURCHASED SERVICES AGREEMENT

12.0 Scope

This Article has been developed jointly in a spirit of co-operation and trust. It is intended to provide a joint approach to making good business decisions which involve the use of purchased services. Its application calls for these decisions to be made in the same spirit of co-operation and trust.

What follows is based upon the belief that there is a value and benefit to the employee, the co-operation and the customer if:

- There is a greater involvement by employees in the decision-making process.
- There is an improved understanding as to why purchased services are used.
- Employment security is enhanced by a productive, healthy, and cost effective organization.
- Union and Management work together and act responsibly, balancing the interests of the customer, the Company and the employee in decisions relating to the use of purchased services.

This is a way of deciding how work gets done. It is not intended to hinder getting work done.

12.1 Assignment Of Work

12.1.1 Philosophy

It is the Company's intent to use regular staff to perform most of its work of a continuing nature. Furthermore, the Company will strive to provide regular staff with stability of employment.

The parties agree that a consistent, managed and joint approach to the assignment of work within the Company is necessary to provide security for employees, a more effective, productive organization and an excellent product for the customer.

12.1.2 Principles

The following principles apply to the relationship between the Company and the Union and the work performed by Union members.

- (a) We will within the Company have all work conducted as effectively as possible.
- (b) We will measure the effectiveness of all work by its impact on staff, on the business and by its ultimate impact on our customers.
- (c) We will do most work of a continuing nature with Company employees.
- (d) We will determine when work is to be done by non-PWU members through a joint decision making process and the results of these decisions will be a joint responsibility.
- (e) We will ensure that the impact of these decisions on continuous employment is minimized.
- (f) We will use a team and consensus approach when making decisions and any issues arising will be resolved internally where possible.
- (g) We will consult and make timely decisions consistent with the need to get work done.
- (h) We will develop, implement and continue a joint process of communications and education.
- (i) We will achieve consistency through the use of these principles versus policy and procedure.

12.2 Decision Process (See Mid-Term Agreement MT-50-2 also)

12.2.1 Responsibility for Decisions

The persons who are responsible for applying the decision process are the Company representative with the appropriate decision authority and the Union representative

designated by the Sector Vice President. It is recognized that a given decision may require the involvement of more than these two persons.

Subject to 12.2.6 and 12.3.2(c) below, decisions to use purchased services will be made on a consensus basis. Both parties must consider all relevant criteria with the mutual goal of selecting the most effective option.

The decision makers are responsible for making timely decisions and for the decision itself.

12.2.2 Opportunity

The parties recognize that work may be done more effectively internally or externally. Opportunities for the application of this Article to new or existing work can be initiated by Management and/or the Union. It is intended that joint discussion should commence as soon as possible and before detailed definition of the need to have new or existing work done by purchased services.

12.2.3 Definition of Need

The parties will consider what work must be done and why and include such dimensions as when it must commence and the duration of the work; the quantity of resources required; the quality of the results; the skills required and their availability internally and externally; and safety requirements.

12.2.4 Alternatives

The parties will consider such alternatives as, do the work internally; do part of the work internally and part externally; do the work externally and agree to acquire capability to do the work internally in future; or do the work externally.

12.2.5 Evaluation

The parties will evaluate the alternatives considering the impact on the customer, employees and the business. Such criteria as reliability of service to the customer, customer responsiveness, community impact, Company relations impact, job continuity, ability to perform work, degree of overtime required for the work, availability of resources, cost, timeliness, quality, need for control over results, safety and impact on environment will be assessed.

The total effectiveness of the alternatives will be evaluated considering both the short and long-term impacts. In given situations, certain criteria may be given a greater or lesser degree of importance.

12.2.6 Establishment of Thresholds

The establishment of the threshold is designed to remove from the process on a case by case basis certain issues relating to purchased services. The threshold will operate in such a way as to allow flexibility in local decision making. Any decisions regarding what is below the threshold will be non-precedent setting.

If there is a dispute with the union on whether the proposed purchased service is permitted by the threshold and there is no consensus, and if it makes sense in the circumstances the dispute will be resolved before the purchased service occurs. Lack of agreement on obtaining an advance resolution will not preclude the work from being performed, neither will it preclude the matter from being resolved under the 12.2.7 process.

The guidelines to determine whether a purchased service is below the threshold are as follows:

- subject matter lacking in substance; or
- any consequences are relatively insignificant; or
- where the nature or consequences of the work which represents a purchased service is remote from work currently performed by the PWU on a continuing basis. For purposes of clarity, this does not mean geographically remote; or emergencies; or
- any work performed under a manufacturer's warranty, except where the manufacturer authorized the Company to do the work.

Except in the case of an emergency, failure by the Company to supply the Union with the following information by fax or as otherwise agreed will result in the work in question being deemed to be above threshold. (In the case of emergency such decisions to use purchased services will be subject to the same information requirements, review and dispute resolution as non-emergency cases).

The Company will notify the Union of the:

- Value of Work as reflected in Tender/Contract/Bid or Estimate Documents
- Scope of the Work
- Location of Work
- Estimated Date of Commencement and Duration of the Work

Except in the case of emergency, after receipt of the above information regarding the work the union shall have three (3) working days to request an opportunity to discuss the proposed purchased service, failing which the proposed purchased service will be deemed to be below threshold.

The parties will make themselves available for discussion within three (3) working days of the request for a discussion.

Upon request, once the work has been performed the Company will provide the Union with the details of the final contract costs.

- (a) Threshold grievances will be completed by the Chief Steward responsible for the PSA and presented to the line Management person responsible for the work in question.

- (b) Line Management must respond in writing to the grievance citing its position within 48 hours (as is required with all other grievances). Both parties should endeavour locally to complete a Record of Discussion form or an agreed statement of fact sheet.
- (c) The PWU office will assign a grievance number. Copies of the completed grievance and associated fact sheets or Records of Discussion forms should be sent to the PWU office and Labour Relations – Corporate Human Resources.
- (d) Grievances will be referred to Arbitration and scheduled through joint agreement between Labour Relations – Corporate Human Resources and the PWU office.
- (e) If it makes sense to do so, local discussions may take place with a view to resolving the threshold grievance up to the arbitration date.

12.2.7 Dispute Resolution Process

- (a) Mr. Teplitsky shall be appointed as Facilitator to assist the parties to resolve all issues of application and interpretation of this Article with the power and authority of an arbitrator under the *Ontario Labour Relations Act* but not subject to the Arbitrators' Act.
- (b) Any dispute between the parties relating to whether this Article applies to any decision to use purchased services or if a purchased service falls within the categories set out in 12.2.6 will be determined in an expedited manner by the facilitator whose decision shall be final and binding.
- (c) The Union will not be prejudiced in any subsequent case by a particular purchase of services. Similarly, the Company will not be prejudiced by any decision not to purchase services. This applies to all cases including threshold cases.

12.3 Joint Resolution Committee

12.3.1 Purpose

The purpose of this Joint Committee is to resolve disagreements, on a consensus basis in a timely and expeditious manner, as to whether proposed purchased services which are above threshold above may proceed. In its deliberations, the committee will consider the factors in items 12.0, 12.1 and 12.2.

Prior to a meeting of the Joint Committee, the Company will provide the Union with the following information related to the proposed PSA:

- copies of the Tender or Request for Proposal documents, if there are any;
- an accurate description of the work which is the subject of the proposed PSA;

- accurate details on bids e.g., price, scope of the work as set forth in the bid;
- a full cost benefit analysis including incremental costs but excluding overhead costs which would be incurred.

12.3.2 Membership

The membership of the Joint Committee shall be as follows:

- (a) The facilitator Mr. Teplitsky who shall act as Chairperson;
- (b) One Management and one union representative plus additional resources as required.
- (c) In the event of the parties not being able to reach a consensus decision the facilitator will have the power to make decisions. Mr. Teplitsky will have the authority to make such orders as he deems appropriate to give full affect to his decision(s) and to deal with any consequences his decision(s) might have in the workplace.
- (d) Where either party wishes to proceed with a Purchased Services discussion which is above threshold, the parties will endeavour to complete discussion within 10 days of notice to the union in the prescribed form and that full resolution, including review by the JRC, will occur within 30 days of notification.

12.4 Application of This Article

12.4.1 The parties will jointly develop and maintain an operating plan consistent with the provisions of this Article. Such plans will be approved by the appropriate Company official and the Power Workers' Union Vice President. Failure to jointly develop an operating plan will not adversely affect either party's rights under the provisions of this Article.

These operational plans will include:

- An approach for the development and delivery of joint training of decision makers
- An identification of the type of contracts that are not subject to an in-depth review.
- A guideline for a time table on how often contracts of a recurring nature must be reviewed under this Article.
- A process for joint review of potential contracts which involve work normally performed by PWU represented employees and other stakeholders.
- A process and a time frame for decision making.
- An internal process for dispute resolution.

12.4.2 Management and Union representatives may choose to jointly review the application of their operating plan and determine the need for changes at any time over the life of this agreement.

12.4.3 Until March 31, 2015, Article 13, Article 14, Mid-Term Agreement MT-12 Contracting Out, MT-21, MT-21 Appendix A, and Mid-Term Agreement MT-14 Future Agency Employees are suspended. Item 12.1 of this Article will apply to decisions regarding the use of agency employees.

ARTICLE 12 – APPENDIX A

The provisions in this Appendix and Article 12.3.2 (c) are to be applied to those situations where employees are given surplus status as a result of a joint or arbitrated decision to use purchased services to do the work normally performed by the affected employees. The definitions contained in Articles 10 and 11 will also apply to this Appendix.

1.0 Joint Employment Security Committee

The function of the Joint Employment Security Committee is to resolve disputes regarding the appropriate application of this Appendix.

The committee will consist of six regular members, three representing the Union and three representing the Company. Two additional members from each party may be added from a work unit affected by the surplus situation under consideration. Meetings may be called by either party.

In all disputes referred to the committee for settlement, the committee's decision will be final and binding on both parties.

In the event that the Joint Employment Security Committee is unable to resolve a dispute, it will be referred to Mr. Teplitsky. The intention of both parties is to have a speedy resolution of the dispute. Verbal decisions which will be confirmed by a written decision will be acceptable and all decisions are final and binding on both parties.

2.0 Employment Security

The provisions of this Appendix will apply to a regular employee with two (2) or more years' seniority who becomes surplus from his/her position as a result of contracting out the work normally performed by that employee. The effect of decisions to use purchased services on PWU members will be minimized by accommodating required staff reductions wherever possible by attrition, transfer to other jobs or retraining. Redeployment/career counselling will be made available to affected staff when they are notified of their surplus status. Training and career options will be discussed and incorporated into the redeployment plan. Reasonable training and educational leave will be applied as appropriate. The provisions of this Article will not apply to

regular-seasonal employees. The definitions contained in Articles 10 and 11 will also apply to this Appendix.

For the purposes of determining if the employee has sufficient seniority to qualify for this Appendix, his/her seniority will be counted up to the surplus date.

2.1 Surplus Identification

When a decision to contract out results in a surplus in a classification in any work site the least senior employee in that classification in the work site shall be identified as surplus. Such employees will be able to apply for vacancies as per Article 10.

2.1.2 If an employee with five (5) or more years seniority has not been selected to a vacancy within one (1) year after the surplus date, or an employee with two (2) years but less than five (5) years' seniority has not been selected to a vacancy within sixteen (16) weeks after the surplus date, he/she will be given displacement rights as contained in Article 11 and all other terms and conditions of Article 11 will apply. At this time all other provisions of Appendix A will cease to apply.

2.1.3 The one (1) year period for employees with five or more years' seniority and the sixteen week period for employees with two or more but less than five years' seniority is designed to allow employees not selected to vacancies to avail themselves of the retraining and reskilling opportunities outlined in 2.0 prior to any displacement as per Article 11.

2.2 Wage and Salary Treatment

2.2.1 Seniority – Five Years or More

The employee's grade and progression step shall be maintained and negotiated increases shall apply for one (1) year from the surplus date regardless of placement. If the employee accepts a vacancy in a lower-rated classification his/her dollar rate shall be frozen at the end of the one (1) year until the rate for the classification equals the employee's dollar rate, at which time the normal wage and salary treatment shall apply.

2.2.2 Seniority – Two Years – Less than Five Years

The employee's grade and progression step shall be maintained and negotiated increases shall apply for sixteen (16) weeks from the surplus date regardless of placement. If the employee accepts a vacancy in a lower-rated classification his/her dollar rate shall be frozen at the end of sixteen (16) weeks for a period of three (3) months at which time a four percent (4%) reduction in rate will take place. Subsequent reductions of four percent (4%) will take place annually thereafter until the maximum rate for the lower-rated job is reached.

2.3 General Conditions

2.3.1 Notwithstanding the provisions of this Article an employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension when faced with displacement or layoff, with joint agreement may be given special consideration for work site protection/preference.

Notwithstanding the provisions of this Article, the parties may make special arrangements for employees who are disabled to the extent that alternative employment would be difficult to find.

2.4 Moving Expenses

Prior to Article 11 applying, an employee who is identified as surplus as per this Appendix and is required to relocate his/her residence shall receive moving expenses in accordance with the provisions of Part A, Item 23. Such moves will be treated as Company-initiated moves.

ARTICLE 13 EMPLOYMENT SECURITY PLAN⁷

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- 13.0 – Purchased Services
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- 13.2 – Joint Employment Security Committee
- 13.3 – Application
- 13.4 – Selection
- 13.5 – Wage and Salary Treatment
- 13.6 – Displacements
- 13.7 – General Conditions

13.0 Purchased Services

During the term of this Collective Agreement, no regular employee will be declared surplus in his/her position as a result of the use of purchased services to perform the work normally performed by that employee.

13.1 Employment Security

Numerous factors may affect the nature and methods of accomplishing work. Changes in work patterns cannot be prevented but the effect of such changes on regular

⁷ This Article is suspended for the term of this agreement.

employees should be minimized as much as possible. The effect of such changes on PWU members will be minimized by accommodating required staff reductions wherever possible by attrition, transfer to other jobs or retraining rather than layoff.

The provisions of this Article will apply to a regular employee with five or more years' seniority who becomes surplus from his/her position as a result of contracting out the work normally performed by that employee. The provisions of this Article will not apply to regular-seasonal employees.

Employees who become surplus for reasons other than contracting out will be entitled to Article 11 as applicable.

The definitions contained in Articles 10 and 11 will also apply to this Article.

For the purpose of determining if the employee has sufficient seniority to qualify for Article 13, his/her seniority will be counted up to the surplus date.

13.2 Joint Employment Security Committee

The function of the Joint Employment Security Committee is to resolve disputes regarding the appropriate application of Article 13 versus Article 11.

The committee will consist of six regular members, three representing the Union and three representing the Company. Two additional members from each party may be added from a work unit affected by the surplus situation under consideration. Meetings may be called by either party.

In all disputes referred to the committee for settlement, the committee's decision will be final and binding on both parties.

In the event that the Joint Employment Security Committee is unable to resolve a dispute, it will be referred to an expedited arbitration process. The intention of both parties is to have a speedy resolution of the dispute. A list of arbitrators will be agreed upon who are prepared to meet on short notice (within seven days) and to render a decision within 14 days. Verbal decisions will be acceptable and all decisions are final and binding on both parties.

13.3 Application

When a surplus is identified in a classification in any location, the least senior employee in the surplus classification in the location shall be declared surplus.

Employees will be notified, in writing, a minimum of three months in advance of their surplus date. A copy of the notice shall be sent to the PWU office and the Divisional Chairperson.

13.4 Selection

The following selection criteria apply to vacancies and placement opportunities in equal- and lower-rated classifications:

1. For non-supervisory vacancies, the senior qualified surplus regular employee applicant will be selected.
2. Placement opportunities will be filled from among the qualified surplus applicants so long as there are qualified surplus applicants. For selection to a placement opportunity in an equal classification (if the equal classifications have been determined at the time the application is made), the senior qualified surplus regular employee applicant will be selected.
3. Selections to supervisory positions will continue to be governed by Article 10.1.3A except when the vacancy is in the same classification as the surplus employee in which case the senior surplus applicant shall be selected.
4. If a surplus applicant is selected to a vacancy he/she must render his/her decision within three working days of the offer being made. Failure to do so will be considered a rejection of the offer and will not affect his/her further treatment under this Article.

When there are no qualified surplus applicants, Management will assess the capability of the surplus applicants to become qualified in a reasonable period of time. Management will select from among those assessed to be qualifiable in a reasonable period of time.

Employees covered by this plan will be given surplus priority consideration from the date of notification until eleven months after the surplus date. The selection priority will be the same as detailed in Article 11.4.3 which are repeated here for ease of application.

The following applies for equal and lower rated vacancies.

Each category will be considered independently and in the order indicated.

1. Surplus employees represented by the PWU and surplus managerial services employees⁸.
2. Employees who were required to displace someone in a lower classification as a result of being surplus and who were previously in the classification that is now vacant.

⁸ Managerial services employees in this context means employees paid from salary schedule 16 with the following exceptions: security guards, fire and safety inspectors, first aid attendants, and project medical attendants.

3. Persons on the recall list whose occupational group contains the vacant classification.
4. As per Article 10.

13.5 Wage and Salary Treatment

The employee's grade and progression step shall be maintained and negotiated increases shall apply for one year from the surplus date or until the date the employee accepts a vacancy whichever comes first.

If the employee accepts a vacancy in a lower-rated classification, his/her dollar rate shall be frozen until the rate for the classification equals the employee's dollar rate, at which time the normal wage and salary treatment shall apply.

13.6 Displacement

If the employee has not been selected to a vacancy within one year after the surplus date he/she will be given displacement opportunities available in Article 11 and all other terms and conditions of Article 11 will apply, except for Article 11.4.

All other provisions of Article 13 will cease to apply.

NOTE

Employees of the construction field forces will not be entitled to the displacement opportunities of Article 11.

13.7 General Conditions

An employee who is within five years of normal retirement or within five years of eligibility for undiscounted pension or an employee who is disabled to the extent that alternate employment will be difficult to obtain, may by agreement between the Company and the Union, be given special consideration when faced with displacement.

One year's additional seniority shall be allowed stewards and chief stewards for the determination of which employees are surplus within the electoral unit of the chief steward.

An employee who is assigned temporary duties or who accepts a vacancy will assume the working conditions of the position.

A surplus employee who is required to relocate his residence, shall receive moving expenses in accordance with the provisions of Part 'A', Section 23.0. Such moves will be treated as the Company initiated moves.

ARTICLE 14
EMPLOYMENT SECURITY AND WORK ASSIGNMENT⁹

- 14.0** It is the Company's intent to use regular staff to perform most of its work of a continuing nature. Furthermore, the Company will strive to provide regular staff with stability of employment.

The Working Paper on Staffing and Employment dated March 15, 1985 states Management's intentions with regard to continuity of employment for regular staff and proportions of work expected to be undertaken by regular staff. For at least the term of this Collective Agreement, the Company will not reduce the stated proportions of work to be done by regular staff.

At the end of each six-month period commencing January 1987, the Company will prepare a statement showing the proportions of work done by regular staff and make this information available to the PWU.

It is understood that the Working Paper on Staffing and Employment, as distinct from the terms of the above provisions, does not form part of the Collective Agreement and is not subject to the grievance and arbitration process.

14.1 Work Assignment

1. It is understood that the assignment of work to purchased services does not convey a right to such work in the future, nor does it create any precedent with respect to future assignment of such work to purchased service employees by the employer.
2. It is agreed between the parties that no more than 450 of the Company tradespersons will be assigned by the Company at any one time under the EPSCA Maintenance Assist agreement to perform work for the Company. The Company agrees to inform the Union of the number of Company tradespersons assigned under the EPSCA Maintenance Assist agreement on a monthly basis.

ARTICLE 15
SUCCESSOR RIGHTS

1. *Upon a sale as defined in Article 17.1, the Company agrees to engage in discussions with the PWU regarding any movement or transfer of staff from the Company to the Transferee prior to any transfer taking place.*

⁹ This Article is suspended for the term of this agreement.

2. The Employer agrees that it will not directly or indirectly request government to exempt the Company or the Union from the successor rights provisions of the applicable labour relations legislation.

The successor rights provisions of the applicable labour relations statute shall be incorporated by reference into this Collective Agreement. No Board of Arbitration established pursuant to the grievance and arbitration provisions of this contract has jurisdiction to make any decision within the jurisdiction of the Labour Relations Board and nothing herein is intended to affect the jurisdiction of the Labour Board to resolve disputes related to the application of the provisions of the statute. For purposes of s.48 of the *Ontario Labour Relations Act* and s.57 of the *Canada Labour Code*, the Ontario Labour Relations Board or the Canada Labour Relations Board shall be deemed to be a Board of Arbitration for the resolution of disputes related to the interpretation, application, administration or alleged violation of this provision of the Collective Agreement. The remedial powers of the Labour Board shall be as set out in the relevant statutory provisions governing successor rights.

ARTICLE 16 DURATION OF THE AGREEMENT

This agreement shall come into effect as of the 1st day of April **2015**, and shall remain in effect until the 31st day of March **2018**, and thereafter from year to year unless terminated by written notice given by one of the parties to the other within a period of not more than two months, but not less than one month prior to the anniversary date.

In the event that either party desires to amend the Agreement but not to terminate the same, either party may, by notice in writing not more than 90 days and not less than 30 days before the anniversary date, serve notice of the proposed amendments and both parties shall thereupon commence to negotiate in good faith with a view to arriving at an agreement on the proposed amendments and all provisions of the Agreement, other than those proposed to be amended, shall continue in full force and effect.

ARTICLE 17 TRANSFER OF EMPLOYEES ON CHANGE OF EMPLOYER

1. In this Article, transfer shall mean any sale, lease, transfer or any other transaction between Hydro One and the new employer, by virtue of which the control over any part of Hydro One's business or assets becomes held by the new employer and Hydro One employees become employees of the new employer.

Hydro One recognizes the importance of, securing for employees, opportunity for continuing employment with the new employer and will make all reasonable efforts to secure such opportunity for employees with the new employer.

2. Hydro One will provide the Power Workers' Union (PWU) with a listing of the positions and number to be transferred to the new employer 60 days prior to the new employer commencing operations (the "Affected Employees"). This listing will specifically identify any employees to be transferred who have previously transferred from an acquired municipal electric utility (MEU) to Hydro One and who have been provided with a period of employment protection, that is still active, as a result of such transfer. At the same time employees who are eligible to retire on or before the transfer date will be notified of their proposed transfer.

Prior to the new employer commencing operations as a result of the Agreement referred to in paragraph 1 herein, Hydro One will advise the Affected Employees of their transfer to the new employer. Any Affected Employees seeking to remain at Hydro One instead of transferring to the new employer shall be dealt with under paragraph 6 herein. Such Affected Employees must notify in writing the PWU and Hydro One within seven days of their notification of impending transfer.

3. Effective on the date Hydro One officially provides the PWU with the listing and number of affected positions referred to in 2 above:
 - (a) Subject to paragraph 3(b) herein, an employee who successfully applies for a vacancy in the affected business shall thereafter exercise seniority rights within the affected business and will have no seniority rights enforceable outside the affected business notwithstanding any other provision of the Collective Agreement.
 - (b) Subject to paragraph 2 herein, employees in the affected business may apply for vacancies outside the affected business in accordance with the applicable provisions of the Collective Agreement up to 30 days prior to the scheduled date for closing of the Agreement referred to in paragraph 1 herein, but not thereafter, subject to paragraph 6 herein.
4. PWU represented employees transferred to the new employer who had applied to vacancies in Hydro One prior to the new employer commencing operations as a result of the Agreement referred to in paragraph 1 herein may exercise their rights to file failure to select grievances to those vacancies.
5. All PWU represented employees transferred to the new employer who are currently on rotation to a position within Hydro One will be allowed to complete the rotation subject to the agreement of Hydro One, the new

employer and the employee. Such rotations shall be treated as secondments by Hydro One. All PWU Hydro One employees on a rotation in a position that is transferred to the new employer will be allowed to complete the rotation subject to the agreement of Hydro One, the new employer and the employee. Such rotations shall be treated as secondments by Hydro One. While on such rotations, all service credit, vacation, pension (employee to pay employee contribution), sick leave and seniority credits will continue to accrue within Hydro One.

6. If there is no agreement between Hydro One and the PWU on issues relating to employees who wish to decline continuing employment with the new employer, the issues will be submitted to an expedited mediation/arbitration process. Martin Teplitsky Q.C. will be the mediator/arbitrator for such purpose and any other matter relating to the interpretation or application of this agreement. The mediator/arbitrator will have complete and unfettered discretion to make any award which he considers fair and reasonable in all of the circumstances and his award shall be final and binding.
7. If Hydro One hires employees doing the same work in the same classification or a classification performing substantially the same duties as transferred employees within 24 months of their transfer then such transferred employees will be offered positions in the classification being hired by Hydro One (subject to the agreement of their current employer) on a basis of seniority and without loss of seniority for their period of employment outside Hydro One.
8. An employee who is not afforded the opportunity for continuing employment by the new employer shall have full rights under Article 11.
9. The PWU agrees that no proceedings will be brought against Hydro One claiming Hydro One is a related or common employer with the new employer or any of the new employers related or subsidiary businesses so long as the relationship in the Agreement contemplated in paragraph 1 does not materially change.

Signed

Hydro One Inc.

Vice-President, Labour Relations

Signed

**Power Workers' Union
Canadian Union of Public Employees – Local 1000**

Witness as to signatures above written on this paper:

Sector Vice-President

duly appointed to execute this Agreement on behalf of the Union.

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GENERAL ITEMS

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PART A GENERAL ITEMS

1.0 EMPLOYEE CATEGORIES

All employees fall into one or the other of four principal categories as outlined below. For PWU 'hiring hall' categories refer to Appendix A.

1.1 Probationary

This category describes persons taken on strength on a probationary basis with the prospect, if their services are found satisfactory, of a change of category to Regular full-time or Regular part-time (Section 1.2, following).

1.2 Regular

Regular employees are those employees who, having satisfactorily met the job requirements, are judged medically fit by the Health and Safety Division for positions which are part of the continuing organization of the Company. They must have served the required time in a probationary category which is part of the Company's continuing organization, or in a temporary category which becomes part of the Company's continuing organization.

1.2.1 Regular Full-Time

Regular full-time employees work the regular hours of the classification into which they are hired.

1.2.2 Regular Part-Time

The establishment of a regular part-time position is a joint decision of local management and the chief steward made in a spirit of trust and co-operation. The parties will ensure that regular part-time positions are appropriately used to maintain corporate effectiveness, not to split a regular full-time position.

Regular part-time employees are regularly employed on an average of 24 hours or less per week calculated on a monthly basis. They are employed for a minimum of 16 hours per month. Regular part-time employees are treated as regular employees except where noted otherwise.

Pro-Ration Formula: The regular part-time employee benefit pro-ration formula is calculated based on the hours worked by the regular part-time employee expressed as a percentage of the normal scheduled number of hours for the classification. Where the number of regular part-time hours vary in a week it will be necessary to calculate this percentage over a jointly agreed upon extended period to get an accurate figure.

1.2.3 Regular - Job Share

Regular full time employees interested in job sharing arrangements shall find an appropriate partner from the same work location with similar skills and the same

or lower terminal rates. These employees must establish an acceptable arrangement between themselves before approaching Management with the request.

Upon attaining agreement between Management and the employees, the job share arrangement will operate for a trial 6-month period. Following the 6-month trial period, the arrangement will:

- (a) be considered a temporary arrangement and be extended by a maximum of six (6) months at which time the arrangement will end,

OR

- (b) be considered a permanent job share arrangement. At this time the vacated position will be posted and filled in accordance with Article 10. In the case of the permanent job share arrangement, the incumbents are required to remain in their arrangement until one partner permanently leaves the job share. At that time, the other partner is required to assume responsibility for the full-time position on 30 days' notice.

Employees engaged in a job share work arrangement are regular part-time employees for the purposes of benefits administration. Employees in job share arrangements will revert to regular full-time status for the purposes of application of Article 10 and Article 11.

Service credit for time spent in job sharing arrangements will be calculated on a pro-rata basis.

1.3 Regular-Seasonal

Regular-seasonal employees are those judged medically fit by the Health and Safety Division for the position involved, who have attained one year's accumulative service, and who are steadily employed through the year, except for short-term layoffs.

1.4 Temporary

Temporary employees are hired to perform work that is expected to last for a short period of time or to perform work in place of a regular employee who is absent from his/her position.

For temporary full-time and temporary part-time employees, accumulated service shall mean the period of employment during which there has been no break in employment exceeding five months.

1.4.1 Temporary Full-Time

Temporary full-time employees work the regular hours of the classification into which they are hired and may be engaged for up to **15** months of accumulated service.

1.4.2 Temporary Part-Time

Temporary part-time employees are employed for a period of up to 12 accumulated months on an average of 24 hours or less per week (calculated on a monthly basis). Temporary part-time employees are treated as temporary employees except where noted otherwise. Benefits are pro-rated the same as regular part-time employees.

To ensure that temporary part-time employees are properly classified as temporary, an assessment is to be made as to the regular or temporary status of the position whenever the temporary part-time employee is employed for twelve continuous¹ calendar months. This assessment is subject to the grievance procedure.

This assessment is made based on the definition of a regular part-time position, i.e. the work is of a continuing nature with a minimum of 16 hours in a calendar month. If the position is determined to be temporary this will be conveyed to the Chief Steward (the employee should be given an end date and will remain temporary).

If the position is determined to be regular part-time, a joint discussion must take place as per the Regular Part-time provisions in the agreement prior to the position being posted. If the incumbent's employment exceeds 12 continuous months the incumbent will be given regular part-time status and the incumbent's seniority will be calculated on a pro-rated basis.

If as a result of the assessment above, the position is still temporary part-time at the 12 month accumulated service mark one of the following options must be selected:

- 1) the job is posted as a regular part-time. This decision is a joint decision as per regular part-time provisions in the agreement.
- 2) The Steward agrees to an extension of the temporary part-timer's service for a specific period and the employee retains temporary status.
- 3) The temporary part-timer is terminated.

Accumulated service applies to temporary employees. Such employees do not have either seniority or service credit.

1.4.3 Benefits

The following are the benefit provisions that apply to temporary employees.

1.4.3.1 Vacations

Entitled to a cash vacation allowance of four percent (4%) of accumulated wages.

¹ If an employee commences on January 20th and works any portion of a calendar month for 12 continuous months, they will have 12 continuous calendar months service on January 20th of the following year.

1.4.3.2 Statutory Holidays

Temporary employees will be entitled to statutory holiday pay provided that they have more than three months' accumulated service.

Temporary part-time employees will be entitled to statutory holiday pay provided that they:

1. Have more than three months' calendar service;
2. Have worked on at least 12 days during the four weeks immediately preceding the holiday;
3. Have worked on their scheduled regular day of work preceding and following the holiday.

Payment for such statutory holidays will be the amount the employee would normally earn on a scheduled day of work.

1.4.3.3 Floating Holidays

Temporary employees who have accumulated 20 weeks' service in a calendar year will be entitled to three floating holidays subject to the following:

1. Floating holidays may be taken on such days as the employee and his/her supervisor mutually agree upon, following reasonable advance notice on the part of the employee.
2. Floating holidays shall not be carried over into the following year unless work considerations prevent the employee from taking the floater(s) in the year of entitlement.
3. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her floating holiday(s) before year-end because of absence due to illness, unused floating holidays will be assigned on the last working day(s) of the year.
4. Where an employee falls sick on his/her scheduled floating holiday, that day will not be charged against his/her sick leave credits, but shall be treated as a floating holiday for pay purposes.
5. Entitlement on Termination: If the employee terminates after having accumulated 20 weeks' service in the calendar year, the Company will make a cash payment in lieu of any unused floating holiday credit.

If the employee terminates prior to accumulating 20 weeks' service in the calendar year, entitlement will be as follows:

- (a) If the employee has not qualified for entitlement in the previous year, he/she will have no entitlement in the current year. If he/she was granted a floating holiday under 4. above, the Company will recover one day's pay for each floating holiday taken.
- (b) If the employee has qualified for entitlement in the previous year, his/her entitlement will be prorated based on the number of weeks' accumulated service in the year of termination. For example, an employee who terminates after accumulating five weeks' service in the year would be entitled to 5/20ths of three days.

The Company will either make a cash payment in lieu of any unused floating holiday credit or recover the value of the unearned portion of floating holidays taken under 4. above.

In no case will an employee be entitled to more than three floating holidays or floating holiday credit in a calendar year.

- 6. Temporary part-time employees shall receive pro-rated payment. (Ref. Part A, Item 1.4.2)

1.4.3.4 Sick Leave Entitlement

Temporary employees shall earn sick leave credit of one-half day at 100 percent (100%) pay for each month of accumulated service to a maximum of six days².

1.4.3.5 Health Insurance Plan (Excluding Summer Students Regardless of Wage Schedule Paid From)

These employees shall be considered as a group in order that they may apply to participate in the Supplementary Plan and the Extended Health Benefit Plan at group rates. One hundred percent (100%) of all premiums will be paid by the employees. These employees will be required to make election on benefit coverage at the time of hire for the duration of employment.

The Company will pay one hundred percent (100%) of the Ontario Health Insurance Plan premium for temporary employees who have four months' accumulated service.

1.4.4 Notice of Termination

When the employment of a temporary employee is terminated for other than cause, he/she is entitled to one week's notice in writing if his/her period of employment is three months or more.

² Day, in this instance, is the number of hours normally worked by a regular employee in a classification and/or the work group of which the temporary part-time employee is a member (seven or eight hours). Sick leave is used on the basis of payment for the number of hours the employee was off work.

2.0 REGULAR STATUS

Appointments to regular status are contingent on satisfactorily meeting the Company's medical requirements.

1. Probationary employees must serve a minimum of three months on probation. If service is satisfactory, they may be accorded regular status at that time. A period of not more than three more months can be used as a further period of probation if it is needed. At the end of this further period, employees must either be made regular, transferred to another position or dismissed. Regular part-time probationary employees must serve up to six calendar months on probation.
2. Temporary employees engaged in work of a continuing nature, shall be afforded regular status upon attaining **15** months accumulated service. In such circumstances the employee's position will be considered to be a vacancy. If the former temporary employee is not selected to this vacancy he/she will be declared surplus in accordance with Article 11.
3. Temporary employees engaged in work which is not of a continuing nature, shall be afforded regular-seasonal status upon attaining 15 months' accumulated service.

3.0 ANNIVERSARY PROGRESSION

Progression dates shall be calculated from the date of appointment or promotion to the position. Subsequent salary adjustments shall be on anniversary dates except as otherwise specified on the appropriate wage schedule.

NOTE

- (a) The progression date for a regular part-time employee who works on average 50% or more of the base hours of the full time classification for the year will be at the completion of one and one third years of service.
- (b) The progression date for a regular part-time employee who works on average less than 50% of the base hours of the full time classification for the year will be at the completion of two years service.

As a regular practice employees shall automatically progress from minimum to maximum as indicated in the respective wage schedules subject to the following:

3.1 Withholding Progression (Unsatisfactory Performance)

If an employee fails to make satisfactory progress his/her progression may be withheld for a period of six months. (8 months for a regular part-time employee working 50% or more of the base hours; 12 months for regular part-time employee working less than 50% of the base hours.)

In taking this action the Company shall provide the employee with one month's notice and the reason for the withholding.

The performance of an employee whose progression has been withheld as above will be reviewed within seven months (nine months for a regular part-time employee working 50% or more of the base hours of the classification and fourteen months for regular part-time employee working less than 50% of the base hours of the classification). If progress and general performance are found to be satisfactory, progression shall be granted. If not, the employee shall be either transferred or dismissed.

If at the time of this review the employee's progress and general performance were found satisfactory and if six months after the review his/her performance has continued to be satisfactory, he/she may be granted the next step in his/her progression.

This will then re-establish his/her original progression status.

If an employee in a recognized hourly-rated training program has not reached the acceptable level of performance his/her progression may again be withheld in accordance with the above. Progression to the journey person or job rate will not be delayed by more than six months.

3.2 Deferral of Progression (Absences from Work)

When an employee has been absent from work for a period in excess of three months, excluding approved vacation, his/her progression may be deferred without prior notice for a period of time not to exceed the length of the absence. Subsequent progression dates may be adjusted accordingly.

3.3 Progressions for Part C Controller-Trainees and Dispatcher-Trainees

Advancement as a controller-trainee and dispatcher-trainee will be by controlled progression, based on satisfactory progress in training and study courses. On successful completion of training at the end of 36 months, controller-trainees will become Controller, Step 1. On successful completion of training at the end of 24 months, dispatcher-trainees will become Dispatcher Step 1.

4.0 RETROGRESSION POLICY

The term 'retrogression' is used to indicate a gradual reduction in pay to predetermined adjusted rate.

4.1 Where Applicable

1. Retrogression shall apply where a regular employee becomes unable to perform the duties of a job for which he/she is receiving the standard rate and is transferred to a lower-rated job because of:

- (a) A disability caused by accident or illness.
- (b) Inability to cope with increased responsibility due to change in job content.
- (c) Where the unsatisfactory performance is due to faulty selection and the employee has served in the position for a period of at least one year.

Any retrogression for medical reasons is subject to ratification by the Chief Physician/Manager Health Services.

2. Retrogression shall not apply where:

- (a) An employee has less than ten years' established service credit.
- (b) The change to the lower-rated job is made at the request of the employee to escape heavy work or responsibility or for personal reasons.
- (c) The change to the lower-rated job is made necessary for unsatisfactory job performance due to causes other than in Section 4.1(1.).

NOTE

Where retrogression does not apply, the employee will receive the job rate for the new job effective at the time of transfer to the new job.

4.2 How Applied

The Company will endeavour to provide an employee to whom Section 4.1 (1) applies with work he/she is capable of performing. His/her rate of pay shall be calculated as follows:

- 1. A new rate for the employee will be calculated at the time the employee is retrogressed. This is calculated by adding to the base rate of the new classification an additional two and one-half percent (2.5%) (except as specified below) of the differential between the base for the new job and the base rate for the employee's former job for each year by which his/her continuous service exceeds ten years at the time of transfer. For regular part-time employees, the new rate is calculated on an hourly basis. For employees with 25 or more years of service, where the reason for retrogression is one of 4.1(1)(a) or (b), five percent (5%) is used in the calculation instead of two and one-half percent (2.5%).

The calculation determines the rate to which the employee's pay will be reduced.

- 2. The reduction in rate will take place in steps each amounting to but not exceeding approximately four percent (4%) of his/her former base rate. (Hourly rate for regular part-time employees.) The first step shall occur three

months after he/she has been transferred to the new job. The subsequent steps shall occur at six-month intervals until the rate determined in 4.2(1.) has been reached.

3. Where the retrogressed employee is unable to do the job to which he/she has been retrogressed and demotion to another job is necessary, the rate for this new job shall be based on the differential between the base rate of the original job from which he/she has been retrogressed and the base rate of his/her new job.
4. While retrogression is in progress and after retrogression is completed, increases in pay that occur will be applied only to the base rate for the new job and the retrogressed employee will only receive a benefit when the base rate for the new job exceeds his/her adjusted rate.
5. It shall be the responsibility of each Human Resources Manager/Officer to advise the Union in writing when any employees are placed on retrogression. This information will be provided to the Union as soon as possible but in any case before the reduction in rate specified in 4.2(2.) takes place.

4.3 Special Provisions

1. Retrogressed employees who are within 10 years of being eligible to retire without discount or who are within 15 years of normal retirement, shall have their rate frozen until the rate for the job being performed catches up to the frozen rate.
2. An employee with 20 years' service who is retrogressed for medical reasons related to the working conditions and job environment during a significant portion of his/her employment with the Company, will have his/her wages maintained until he/she is eligible for an undiscounted pension. The wage rate will be frozen thereafter.

The medical reasons will be reviewed and assessed by the LTD Review Committee.

3. If, in the opinion of the LTD Review Committee, an employee is retrogressed because of a serious injury that resulted from an on-the-job accident with the Company, he/she will have his/her wages maintained until he/she is eligible for an undiscounted pension. This provision will apply to all regular employees regardless of service.
4. An employee with ten years' service who is retrogressed because of a muscular-skeletal repetitive strain injury or injury arising therefrom, which is deemed compensable by the WSIB and relates to his/her working conditions with the Company will have his/her wages maintained until eligible for an undiscounted pension. The wage rate will be frozen thereafter.

The medical reasons will be reviewed and assessed by the LTD Review Committee.

4.4 Nothing in this regulation will override special commitments that have been made by the Company that in certain instances rates of pay will be maintained.

5.0 SERVICE CREDIT

5.1 Introduction

This item defines service credit and describes the basis for calculating service credit for all purposes except those of the Pension Plan which are covered in the Hydro One Inc. Pension Plan Rules.

The application of such service credit to vacations, LTD, sick leave and other benefits will continue to be governed by the appropriate instructions.

5.2 Service Credit Calculation

In most cases the service credit of a regular employee is that employee's seniority. The exception to this can be found in Article 10.1.2 where an employee who is appointed to a position within the PWU jurisdiction from a bargaining unit which restricts seniority to its own membership, has his/her seniority limited to service within the PWU bargaining unit.

Seniority applies to regular, regular-seasonal, and probationary employees only.

Temporary employees have accumulated service only.

Service credit will not be granted for absences without pay of greater than 15 days with the exception of:

1. Normal and Extended Pregnancy/Parental/Adoptive leave.
2. Elected Union officials absent on Union business.
3. Medical leave of absence.
4. Time off in lieu of overtime worked.

5.2.1 Regular Employees

Service credit shall be the period of employment with the Company and any service restored as per Part A, Item 5.3.

5.2.2 Temporary Full-Time and Part-Time Employees When Granted Regular Status

When temporary employees are granted regular or regular-seasonal status, service credit shall be granted for all previous full-time service and on a pro-rata basis for all part-time service.

5.3 Restoration of Service Credit

Regular employees who terminate and are re-employed to a continuing position shall have their service credit restored. Proof of past service must be provided by the employee in the first 60 days of re-employment unless the Company is capable of providing the proof within the first 60 days of re-employment. They shall not be required to serve a further probationary period. No service credit will be allowed for the period between termination and re-employment. Regular employees who were formerly employees of Ontario Hydro shall have their service credit restored as per Article 10.6.

Former regular employees who are rehired for temporary full-time or temporary part-time assignments will not be granted regular status upon rehire. Former regular-seasonal employees will retain regular-seasonal status when rehired for a temporary assignment, within one year of their last termination date.

5.4 Restoration of Previous Service for Pregnancy Leave

Female employees of the Company or its predecessor, Ontario Hydro, who were granted pregnancy leave will be eligible for service credit as follows:

- (a) those employees who took normal pregnancy leaves will be eligible for service credit up to a maximum of 17 weeks.
- (b) those employees who took extended pregnancy leaves on or after April 1, 1977 will be eligible for service credit for the full duration.

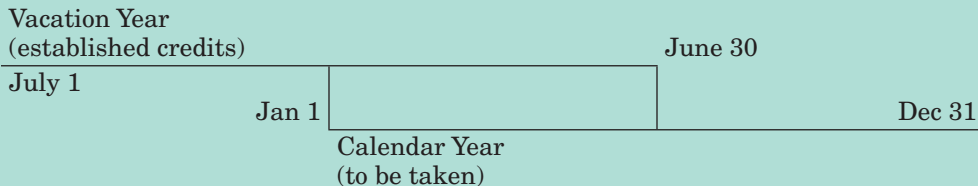
6.0 VACATIONS

6.1 General Policy

Whenever possible, vacations will be granted at dates requested by the employees, but in view of the Company's role in providing a vital service at all times, the Company reserves the right to determine the dates when vacations may be taken.

6.2 Relationship between Vacation Year and Calendar Year

For the purpose of calculating vacation allowances, the vacation year commences July 1 of the previous year and ends June 30 of the calendar year in which the vacation is to be taken.



6.3 Vacation Entitlement

Definition: The *Employment Standards Act* states that every employer shall give to each employee a vacation with pay of at least two weeks upon the completion of each 12 months of employment. The amount of pay for such vacation shall not be less than an amount equal to four percent (4%) of the wages of the employee in the 12 months of employment for which the vacation is given.

Wages are defined as any monetary remuneration payable by an employer to an employee under the terms of a contract of employment as well as any payment under the *Employment Standards Act* except vacation pay. Included in wages are termination pay, overtime pay, holiday pay, sick pay, equal pay adjustments, shift differentials, premiums for weekend or holidays, on-call and standby.

Wages do not include vacation pay previously paid in the 12-month period, supplementary unemployment benefits, tips or other gratuities, gifts and bonuses that are dependent on the discretion of the employer and are not related to hours, production or efficiency. Also excluded are travelling allowances or expenses, contributions made by an employer to pension funds, unemployment insurance, death grants, disability plans, accident plans, sickness plans, medical plans, nursing plans or dental plans.

Where an employee receives a greater benefit for vacation or vacation pay, that benefit will prevail over the conditions set out in the *Employment Standards Act*.

The amount of pay for a vacation shall be not less than an amount equal to four percent (4%) of the accumulated wages of the employee in the 12 months of employment for which the vacation is given and in calculating wages no account shall be taken of any vacation pay previously paid.

Regular Employees

A regular employee shall be eligible for a vacation of:

Less than One Year's Service by June 30: One working day for each full month of service completed between June 30 of the previous year and July 1 of the current year up to a maximum of two weeks (10 working days).

The employee shall be paid four percent (4%) of the accumulated wages in the year for which the vacation is given.

For One Year and Less Than Three Years' Service: 10 working days (two weeks) annually. Vacation pay shall equal 10 days' base earnings or four percent (4%) of accumulated wages, whichever is greater.

For Three to Seven Years of Service: 15 working days (three weeks) annually when an employee has completed from three to seven years of service by the end of

any calendar year. Vacation pay shall equal 15 days' base earnings or four percent (4%) of accumulated wages whichever is greater.

For Eight to Fifteen Years of Service: 20 working days (four weeks) annually when an employee has completed 8 to 15 years of service by the end of any calendar year. Vacation pay shall equal 20 days' base earnings.

For Sixteen to Twenty-Four Years of Service: 25 working days annually when an employee has completed 16 to 24 years of service by the end of a calendar year.

Vacation pay shall equal 25 days' base earnings.

In the year in which the employee is first eligible for 25 working days' vacation, he/she shall be granted it in one continuous period if he/she so requests.

NOTE

Employees hired on the first working day of January shall be deemed to have completed a calendar year on December 31 of the same year.

For Twenty-Five or More Years of Service: 30 working days' vacation in the calendar year in which he/she completes 25 years of service, and in each succeeding year.

Vacation Bonus

In the calendar year in which a regular employee completes:

- 26 years' service – 1 day's base pay
- 27 years' service – 2 days' base pay
- 28 years' service – 3 days' base pay
- 29 years' service – 4 days' base pay
- 30 years' service – 5 days' base pay
- 31 years' service – 6 days' base pay
- 32 years' service – 7 days' base pay
- 33 years' service – 8 days' base pay
- 34 years' service – 9 days' base pay
- 35 years' service – 10 days' base pay and beyond

The vacation bonus shall be calculated on the employee's base rate of pay as of July 1st of the year in which the bonus is payable. These bonuses are payable on the closest payday to July 1st of each year.

Regular Part-Time Employees

Regular part-time employees are eligible for paid vacation time off. The entitlement is based on calendar years of service and payment for time off is calculated on a pro-rata basis. (Ref. Part A, Item 1.2.2).

Probationary Employees

A probationary employee shall be entitled to a vacation of one working day for each full month of service completed between June 30 of the previous year and July 1 of the current year up to maximum of two weeks (10 working days).

Four percent (4%) of the total pay of the employee shall be paid in the year for which the vacation is given – whichever is greater.

Temporary Employees Made Regular

On attaining regular status, temporary employees will receive vacation entitlement for all service as defined in Part 'A', Item 5.2.2.

Temporary Employees

For less than one year's accumulated service: Entitled to a cash vacation allowance of four percent (4%) of all accumulated wages.

6.4 Special Provisions and Allowances

6.4.1 Deferment or Interruptions of Vacations

Reimbursement will be made for out-of-pocket expenses incurred by an employee who, at the request of the Company, either defers an approved vacation or returns before the vacation has expired.

When an employee is called back from vacation or when an employee's vacation is cancelled at the request of the Company, the employee shall receive premium rates of pay for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days.

NOTE

In the above cases, the deferred or interrupted vacation days are to be rescheduled at a later date subject to Sections 6.1 and 6.5.

6.4.2 Statutory Holidays and Vacations

If statutory holidays, to which an employee is entitled with pay, occur within his or her vacation period, the employee shall be granted an additional day's vacation for each in lieu thereof.

6.4.3 New Employees

An employee joining the staff between January 1 and June 30 and taking a vacation before July 1, shall receive only the days allowed for service to the date of commencing the vacation. Any remaining days credited for service between the vacation commencement date and June 30 shall be taken between July 1 and December 31.

An employee joining the staff between January 1 and June 30 and taking his vacation after July 1, shall receive only the days allowed for service to June 30.

If an employee joins the staff between July 1 and December 31, no vacation allowance can be used until after December 31.

6.4.4 Re-engaged Employees

An employee whose employment is terminated and who is re-engaged within 12 months of termination shall be granted a vacation allowance based on the employee's re-established service credit (see Part 'A', Section 5.0). However, the initial vacation allowance, while prorated on the same basis as above, must be taken as outlined in Section 6.4.3.

6.5 Postponed Vacations

6.5.1 With the exception of new employees as outlined in Section 6.4.3, vacations appropriate to the particular calendar year may be granted at any time but normally must be completed by the end of that year. Carry-over or postponement of vacations beyond the end of that year shall be in accordance with the following:

1. Where it is mutually agreeable, the employee may carry-over a maximum of one week's vacation to the following year (to be taken by April 30 of that following year). Request for carry-over must be made prior to September 1.
2. Under special extenuating circumstances (as identified in Subsections 6.4.1, 6.5.2 and 6.5.4), application for postponement or carry-over of more than one week's vacation may be made to the respective director, or official of equivalent rank, but the vacation must be completed by April 30 of the next year.

Furthermore, employees who are not able to use their vacations by April 30, as noted above, will be entitled to receive the unused vacation in a cash amount. The employee may also bank up to one (1) week as indicated in item 36.0.3.

6.5.2 An employee who is on sick leave shall not be granted a vacation until judged fit to return to work. If still disabled when sick leave credits expire, however, the employee may be placed on earned vacation. With Directors approval an employee whose 100% sick leave credits have expired and who is unable to return to work on modified duties, may be paid vacation in full day increments (5 days maximum) to offset loss of income once per calendar year.

6.5.3 An employee who becomes ill while on vacation shall not be placed on sick leave until after termination of the vacation. Under exceptional circumstances in case of very serious illness, sick leave may be granted at the discretion of the Chief Physician/Manager Health Services. The employee would then be entitled to the unused portion of his/her vacation after recovery from the illness.

Minor illnesses and injuries may cause some degree of discomfort or disability to an employee while on vacation. Yet for the most part, these do not necessitate complete removal from the vacation setting or loss of the beneficial effects of the holiday. However, when an employee on vacation becomes seriously ill or injured and as a result must be removed from vacation setting entirely, he or she should be entitled to sick leave.

The decision as to when an illness or non-occupational injury is sufficiently severe to justify transfer from vacation to sick leave should be made on medical grounds and rests with the Chief Physician/Manager Health Services. Normally hospitalization or complete confinement to bed in the home under regular physician's care have been the criteria used to judge severity, often after consultation with the attending doctor. "Exceptional circumstances" may include a number of things such as hospitalization, the need to be flown home from a trip abroad, becoming seriously ill on the first day of vacation, etc.

The decision to transfer from vacation to sick leave must be based on reliable medical evidence and made by the Chief Physician/Manager Health Services. All cases of requests for such consideration should be referred to the Chief Physician/Manager Health Services without exception.

- 6.5.4** Where an employee is on sick leave or workers' compensation and thereby is unable to use his or her vacation credit during the current year such vacations may be carried over to the following year in accordance with Sections 6.1 and 6.5.1. Any outstanding vacation credit that has not been approved for carry over into the next year shall be paid out by Dec. 31 of the current year.

6.6 Vacation Payment on Termination

An employee whose service is terminated by the Company or by resignation shall be entitled to a cash payment in lieu of an outstanding vacation allowance, calculated proportionately from July 1 marking the beginning of the 12-month period in which the vacation entitlement applies. Upon the death of an employee, his or her estate shall be entitled to the same payment.

The payment will be based on:

1. Four percent (4%) of accumulated wages for an employee entitled to the prorated amount of 10 working days annually.

NOTE

In each of the following subsections, the minimum amount to be paid must be at least four percent (4%) of accumulated wages (see Definition, Subsection 6.3) of the employee in the year for which the vacation is earned.

2. Six percent (6%) of base earnings to date for an employee entitled to 15 working days annually.
3. Eight percent (8%) of base earnings to date for an employee entitled to 20 working days annually.
4. Ten percent (10%) of base earnings to date for an employee entitled to 25 working days annually.
5. Twelve percent (12%) of base earnings to date for an employee entitled to 30 working days annually.

The value of the vacation bonus will be based on the employee's base rate at the time of termination. The vacation bonus for the incomplete year of service is pro-rated for the number of completed months from the employee's ECD to the date the employee terminates.

Vacation allowance regulations for employees whose service is terminated owing to retirement on early, normal, disability or postponed pension are in accordance with the above.

6.7 Part C (Controller/Dispatcher and Trainee) Vacations

Vacations for controller/dispatchers will be governed by the following:

1. Subject to exceptions resulting from unforeseen or emergent conditions, arrangements will be made to provide vacations as under-noted:
 - (a) Fourteen consecutive days³ off within the period July 1 to December 31 (summer schedule) to all regular controller/dispatchers.
 - (b) If desired by the controller/dispatcher and he/she makes this known to the Company prior to the preparation of the master work schedule, 21 consecutive days³ off including three weekends within the period July 1 to December 31 (summer schedule) to all regular controllers/dispatchers who qualify for three or more weeks' vacation.
 - (c) Where mutually convenient to the Company and the employees, if individual controller/dispatchers so request, all or part of the vacation allowance may be taken outside the period July 1 to December 31.
 - (d) A request by an individual controller/dispatcher for an extension of his/her vacation period may be granted at the Company's discretion by interchanging his/her scheduled vacation days or unused vacation entitlement with days of work, providing qualified staff (controller/dispatcher/trainee) is available.

³ The consecutive days referred to would normally include other than vacation entitlement.

2. If it becomes necessary to cancel the additional extension as outlined in this item, the controller/dispatcher granted the extension will be required to return to his/her original schedule without penalty to the Company.
3. If, in any instance and due to unforeseen circumstances, vacation schedules are adversely affected, the Company will use available relief so as to reduce the abnormal period to a minimum.

7.0 STATUTORY HOLIDAYS

7.1 Recognized

The days listed below will be recognized by the Company as statutory holidays, regardless of any conflict between these holidays and those declared as statutory holidays by municipal, provincial or federal statutes.

New Year's Day	Civic Holiday
Family Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Christmas Day
Victoria Day	Boxing Day
Canada Day	

When Canada Day falls on a Saturday or Sunday it shall be observed on the following Monday.

In the event that Boxing Day or New Year's Day falls on a Sunday, it shall be observed on Monday. Similarly, if Christmas Day falls on a Sunday, it shall be observed on Monday and Boxing Day on Tuesday.

When Christmas falls on Tuesday, Boxing Day shall be observed on Monday.

All regular and probationary employees shall be paid for statutory holidays.

A statutory holiday falling within an employee's vacation period shall not be counted as part of his/her vacation but shall be taken as an extra day of holiday.

Regular part-time employees will be entitled to statutory holiday pay provided that they:

1. Have more than three months' accumulated service;
2. Have worked on at least 12 days during the four weeks immediately preceding the holiday;
3. Have worked on their scheduled regular day of work preceding and following the holiday.

Payment for such statutory holidays will be the amount the employee would normally earn on a scheduled day of work.

7.2 Sick Leave Credits

If an employee is not scheduled to work on a statutory holiday and falls sick, his/her pay for that day will not be charged against his/her sick leave credits and he/she will receive payment at 100 percent (100%) of his/her normal daily base earnings.

If an employee is scheduled to work on a statutory holiday and falls sick, that day is treated as a normal sick day and the employee would receive a lieu day at a later date.

8.0 FLOATING HOLIDAYS

Regular, regular-seasonal and probationary employees who have accumulated 20 weeks' continuous service in any calendar year will be entitled to three floating holidays subject to the following:

1. Floating holidays may be taken on such days as the employee and his/her supervisor mutually agree upon, following reasonable advance notice on the part of the employee.
2. Floating holidays shall not be carried over into the following year unless work considerations prevent the employee from taking the floater(s) in the year of entitlement.
3. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her floating holiday(s) before year-end because of absence due to illness (except when exhausting sick leave prior to LTD) unused floating holidays will be assigned on the last working day(s) of the year.
4. Where an employee falls sick on his/her scheduled floating holiday, that day will not be charged against his/her sick leave credits, but shall be treated as a floating holiday for pay purposes.
5. Regular and probationary employees may take their floating holiday(s) before accumulating 20 weeks' service in a calendar year.
6. Regular part-time employees are entitled to three (3) floating holidays upon completing 20 weeks of service. Pay treatment for the three (3) days is on a pro-rata basis. (Ref. Part A, Item 1.2.2)
7. Entitlement on Termination: If the employee terminates after having accumulated 20 weeks' service in the calendar year, the Company will make a cash payment in lieu of any unused floating holiday credit.

If the employee terminates prior to accumulating 20 weeks' service in the calendar year, entitlement will be as follows:

- (a) If the employee has not qualified for entitlement in the previous year, he/she will have no entitlement in the current year. If he/she was granted a floating holiday under 5. above, the Company will recover one day's pay for each floating holiday taken.
- (b) If the employee has qualified for entitlement in the previous year, his/her entitlement will be prorated based on the number of weeks' accumulated service in the year of termination. For example, an employee who terminates after accumulating five weeks' service in the year would be entitled to 5/20ths of three days.

The Company will either make a cash payment in lieu of any unused floating holiday credit or recover the value of the unearned portion of floating holidays taken under 5. above.

In no case will an employee be entitled to more than three floating holidays or floating holiday credit in a calendar year.

9.0 SPECIAL TIME OFF

9.1 Additional Time Off at Christmas and New Year's Holidays

When Christmas falls on Friday and Boxing Day on Saturday, an additional half holiday will be granted employees on the preceding Thursday.

When Christmas falls on Saturday and Boxing Day on Monday, an additional half holiday will be granted employees on the preceding Friday.

When Christmas falls on Wednesday, the Friday following Boxing Day shall be granted as an additional holiday.

When New Year's Day falls on a Saturday, an additional holiday shall be granted on either the preceding Friday or the following Monday.

Those regular part-time employees whose regular scheduled day of work falls on the holidays referenced above shall be granted the time off and compensated at a rate equal to their normal daily earnings.

9.2 Payment for Time in 9.1

Eligible employees required to work during the days in 9.1 shall be paid as follows:

1. If employees are normally scheduled to work and are required to work on such a day, they shall be paid straight time for such work within normal

scheduled hours and given equivalent time off with pay, up to a maximum of normal scheduled hours, within the following six months.

2. If employees are not normally scheduled to work on such a day and are required to work, they shall be paid at the rate normally paid for overtime work.
3. Eligible shift employees on a seven-day coverage basis whose normal scheduled day off falls at such designated time, shall be allowed equivalent time off with pay, within the following six months.

9.3 Treatment for Vacation

Special time off, as noted in 9.1, falling within eligible employees' vacation period shall not be counted as part of their vacation but shall be taken as additional time off.

9.4 Remembrance Day

This section was originally created to allow employees paid time off on Remembrance Day for those who served in the armed forces of Canada, Great Britain or their allies during World War II, the armed forces of the United Nations in Korea from 1950 to 1953, and the Allied Merchant Marine from 1939 to 1945.

Employees who can verify they have served in the Canadian Armed Forces, and those in the Reserve components of the Canadian Armed Forces, who have served in a foreign country, will be eligible for time off or payment if required to work.

9.5 Sick Leave Credit

When special time off, as noted in 9.1 occurs while eligible employees are on sick leave credit, their pay will not be charged against sick leave credits and they will receive 100% payment at their base rate for normal scheduled hours.

10.0 LEAVE OF ABSENCE

10.1 With Pay

Occasionally, an employee will be in a situation where there is no reasonable alternative to being absent from work for personal reasons. Sometimes the employee will, at the same time, be committed to considerable additional expense. Provision is made so that the Company may ameliorate the hardship to the employee which may result.

10.1.1 General

When in the Company's judgment the circumstances warrant such action, leave of absence with pay may be granted.

This leave is based upon reasons of personal emergency, such as severe illness in the immediate family which would necessitate remaining home until adequate

arrangements could be made for outside help, or being in close attendance at a hospital. Also, in cases where an employee is faced with the effects of a severe storm, fire or flood.

10.1.2 Funerals

A regular employee may be released from duty for a period up to three days without reducing base earnings in the event of the death of a member of the immediate family including parent, parent-in-law, step-parent, brother, brother-in-law, step-brother, sister, sister-in-law, step-sister, husband, wife, son, son-in-law, step-son, daughter, daughter-in-law, step-daughter, grand-parents, grandparents-in-law and grandchildren. In the event a regular employee is on approved vacation, the employee's vacation day may be transferred to funeral leave.

In the event of the death of a fellow employee, a regular employee may be allowed time off with pay to attend the funeral. Usually the time required is less than one-half day. Regular part-time employees shall be granted the time off with pay if scheduled to work.

NOTE

Section 10.1.2 is a guide applicable under ordinary circumstances, on the distinct understanding that it does not set rigid limits either maximum or minimum.

10.1.3 Annual Training for Reserve Forces

A regular employee who serves with the Reserve Force of the Canadian Armed Forces and can be spared from work may be granted leave of absence in order to attend annual training.

The employee will be paid the difference between the gross amount received from the Department of National Defence for the full training period and base earnings for the period of absence. The employee will be required to furnish his/her supervisor with a statement from the commanding officer of the reserve unit, showing the amount received from the Department of National Defence for the training period.

10.1.4 Legal Hearings

Base earnings will be maintained when an employee is called for jury duty or is subpoenaed to appear in court as a witness except in cases involving inter-union jurisdictional disputes.

10.2 Equivalent Time Off Without Pay

Employees who have worked overtime may be granted one hour off for each hour worked, without pay, in increments of not less than one-half day, provided the employee requests the time off and the workload permits.

10.3 Family Leave

Family leave of up to 5 unpaid days per year shall be granted when requested by the employee. This benefit will not be pyramided with any legislated benefits under the Employment Standards Act or other legislation.

11.0 PREGNANCY/ADOPTION/PARENTAL LEAVES

11.1 General Provisions

To be eligible, the employee must have worked for the Company for a period of at least 13 weeks preceding the estimated delivery date or have been employed by the Company for 13 weeks by the date on which the child comes into the custody, care and control of the parent for the first time.

These leave provisions are available to all categories of employees. In addition, regular employees including regular part-time employees eligible for pregnancy leave or adoption leave are entitled to supplementary unemployment benefits (Ref. 11.4).

Pregnant employees are entitled to pregnancy leave including those women whose pregnancies are terminated by still-birth or miscarriage within 17 weeks of the expected birth date (Ref. 11.2). Following the birth of the child, the employee is also eligible for parental leave. (Ref. 11.5).

Adoption leave is available to the parent who is designated as the primary caregiver (Ref. 11.3). Parental leave is also available to such an employee (Ref. 11.5).

Parental leave is also available to employees not eligible for pregnancy or adoption leave but who have become the parent of a child (e.g. an employee whose spouse has given birth to a child or the adoptive parent who is not the primary caregiver. Ref. 11.5).

Service credit will be granted for the full duration of such leaves.

Two weeks' notice is required for such a leave, except as noted in 11.2.2. The commencement date can be advanced or delayed upon the giving of a further two weeks notice. Similarly, the termination date can be advanced or delayed upon giving four weeks notice.

Eligibility for such leave does not necessarily mean the employee is entitled to EI benefits. However, EI benefits may be available in the case of such a leave and employees should be referred to the nearest EI office to check their entitlement.

The Company will continue for the duration of any such leave to pay the same share of the premiums for OHIP, EHB, Dental Plan, Life Insurance and Pension Plan that it would normally pay for the employee. This will not apply with respect to any benefit plan where the employee is normally required to make an employee contribution and

he/she has given the Company written notice that he/she does not intend to pay such contributions.

An employee going on such a leave may prepay his/her pension contributions prior to taking the leave or make up contributions on return to work to establish pensionable service for the period of absence. Prior to the leave, he/she must sign the appropriate forms indicating whether or not he/she wishes to prepay the pension plan contributions.

Positions temporarily vacated as a result of a pregnancy/adoption or parental leave will be filled on a temporary basis only until the employee on leave returns.

Provided the employee returns to work no later than the expiration of his/her leave entitlement, he/she will be offered:

- (a) The position most recently held if it still exists at a rate of pay not less than his/her wages at the commencement of the leave or if greater the wages that the employee would be earning had the employee worked throughout the leave.
- (b) Should the position most recently held not exist as a result of a surplus in the unit in accordance with Article 11 he/she will be offered a comparable position at the location he/she was previously working at a rate of pay not less than his/her wages at the commencement of the leave or if greater the wages that the employee would be earning had the employee worked throughout the leave.
- (c) Should (a) or (b) not exist he/she will be treated in accordance with Article 11.

The granting of extensions to the normal 90-day acting period for positions vacated by an employee on pregnancy/adoption/parental leave shall be automatic. The Union chief steward shall be advised of all cases where this subsection applies.

11.2 Pregnancy Leave – General

Prior to commencing pregnancy leave, the female employee must indicate in writing her desire to return to work following her pregnancy.

The *Ontario Human Rights Code* requires the employer to accommodate the needs of pregnant employees in the workplace, unless to do so would cause undue hardship to the business. If a pregnant employee is unable to work in her regular work location because of the possible radioactivity level, her normal base rate of pay will be maintained during the period of relocation.

11.2.1 Duration of Leave

An eligible female employee may apply for pregnancy leave, to commence after the 22nd week of pregnancy for a duration of up to 17 weeks.

The pregnancy leave of an employee who is not entitled to take parental leave ends on the later of the day that is seventeen weeks after the pregnancy leave began or the day that is six weeks after the birth, still-birth or miscarriage.

NOTE

Female employees who are the parent of a child are entitled to parental leave in addition to pregnancy leave. Parental leave is described in 11.5. Unless otherwise mutually agreed, parental leave must immediately follow the pregnancy leave unless the child has not come into the custody, care and control of the parent for the first time.

11.2.2 Physician's Certificate

When a female employee applies for pregnancy leave she must provide her supervisor with a certificate from her physician stating that she is pregnant and giving the estimated date of delivery at least two weeks prior to the date she plans to commence the leave.

In the case of a female employee who stops working prior to the commencement of her scheduled leave because of a birth, still-birth or miscarriage that happens earlier than the employee was expected to give birth, that employee must, within two weeks of stopping work, give her supervisor:

- (a) written notice of the date the pregnancy leave began or is to begin, and
- (b) a certificate from a legally qualified medical practitioner that states the date of the birth, still-birth or miscarriage and the date the employee was expected to give birth.

When a female employee resigns without notifying her supervisor that she is pregnant and she has not applied for pregnancy leave, but within two weeks following her resignation, provides her supervisor with a certificate from her physician stating she was unable to perform her job duties because of a medical condition arising from her pregnancy and giving the estimated or actual delivery date, she shall be entitled to pregnancy leave if it is requested.

NOTE

The supervisor should obtain the advice and assistance of the Health and Safety Division if clarification is required.

11.2.3 Pregnancy and the Sick Leave Plan

Normal pregnancy leading to confinement is not an illness under the terms of the Sick Leave Plan. However, absences due to pregnancy-related illnesses or complications shall be considered as sick leave under the terms of the Sick Leave Plan.

11.3 Legal Adoptions – Primary Care-Giver

In cases of legal adoption where the child is raised in the home the following will apply after receipt of the child.

1. Where the child is less than elementary school age, the primary caregiver will be granted leave of up to 17 weeks.
2. Where the child is elementary school age or older and the primary caregiver requests leave, the duration will be based on the recommendation of the adoption agency with the final decision being made by the Company's Chief Physician.
3. The primary caregiver is also entitled to parental leave (Ref 11.5).

11.4 Benefits Under the Supplementary Unemployment Benefit Plan for Regular Employees

Provided they qualify for EI payments regular female employees who are eligible for pregnancy leave or the regular employee who is the parent designated as the primary caregiver in a legal adoption proceeding shall be paid a benefit in accordance with the Supplementary Unemployment Benefit Plan. In order to receive this benefit, the employee must provide the Company with proof that he/she has applied for and is eligible to receive unemployment insurance benefits pursuant to the *Employment Insurance Act*. The grant payment may only be paid upon receipt of proof that the employee is eligible for EI benefits. The simplest "proof of eligibility" is the counterfoil from the employee's first EI cheque.

According to the Supplementary Unemployment Benefit Plan payment will consist of:

1. Two weeks at 93 percent (93%) of the employee's base pay.
2. Up to fifteen additional weekly payments dependent on the length of his/her EI entitlement, equivalent to the difference between the unemployment insurance benefits the employee is eligible to receive and 93 percent (93%) of the employee's base pay.
3. In the case of a legal adoption, in addition to the Supplementary Unemployment Benefit Plan payments, the primary caregiver shall receive the equivalent of 93% of two weeks base salary in the thirteenth and fourteenth weeks of the leave.
4. Other earnings received by the employee will be considered so that the total combination of SUB, EI benefit and other earnings will not exceed 93 percent of the employee's base pay.

These payments will only be made if the employee signs an agreement with the Company, providing:

- (a) that he/she will return to work and remain in the Company's employ for a period of six months from the date of return to work;
- (b) that he/she will return to work on the date of the expiry of her pregnancy leave or his/her adoption leave, unless the employee is entitled to another leave provided for in this agreement;
- (c) that the employee recognizes that he/she is indebted to the Company for the payments received if he/she fails to return to work as per the provisions of subsections (a) and (b).

11.5 Parental Leave

11.5.1 General

Employees who have been employed by the Company (including service with Ontario Hydro) for a period of at least 13 weeks by the date on which the child is born or comes into the custody, care and control of the parent for the first time are eligible for an unpaid parental leave. A parent includes a person with whom a child is placed for adoption and a person who is in a relationship of some permanence with a parent of a child and who intends to treat the child as his or her own.

11.5.2 Duration of Leave

Employees eligible for parental leave may take this leave beginning not later than 52 weeks of the child being born or coming into care. Unless otherwise mutually agreed females on pregnancy leave wishing to take a parental leave must commence parental leave immediately following the end of the pregnancy leave unless the child has not come into custody, care and control of the parent for the first time. The duration of this leave is up to 35 weeks.

Employees who wish to take this leave must give the Company two weeks' notice in writing prior to the date the leave would begin and four weeks' notice of the date the leave will end if they wish to terminate the leave prior to 35 weeks following the date the leave commenced.

11.6 Service Credit

Employees who were granted pregnancy/adoption/parental leave from the Company or its predecessor, Ontario Hydro, on or after November 18, 1990 will be eligible for service credit for the full duration.

12.0 DISABILITY BENEFITS AND INCOME PROTECTION

12.1 Sick Leave Plan

The benefits of the Company's Sick Leave Plan shall be considered as part of this Agreement. However, it is recognized that its provisions are not an automatic right of an employee and the administration of this plan and all decisions regarding the appropriateness or degree of its application shall be vested solely in the Company.

When required by the employer, Major Medical Absence Reports, associated follow up reports shall be paid for by the employer up to **\$50.00**.

The Company's Sick Leave Plan will provide that probationary and regular employees will commence with a credit of eight days at 100 percent (100%) and 15 days at 75 percent (75%) pay, payable from the first day of sickness. This credit will continue to be available until the employee attains his/her first annual accumulation date as a regular employee. At the time of this accumulation date and each subsequent accumulation date he/she will acquire additional credits of eight days at 100 percent (100%) pay and 15 days at 75 percent (75%) pay. The accumulation of credits will be subject to the provisions of the Company's Sick Leave Plan.

Regular part-time employees shall receive a pro-rated number of sick days. When a regular part-time employee is absent due to illness on a scheduled day of work, they shall be paid for the hours of work scheduled for that day provided sick leave credits are available.

Normally employees will be expected to arrange routine medical or dental appointments during non-working hours. Where such appointments cannot be arranged during non-working hours and the employee can be released from his/her duties, then the time shall be charged against an employee's sick leave time.

Employees who are on sick leave for 30 days or more may be eligible to participate in a vocational rehabilitation programme in accordance with the Company's policy.

12.1.1 Medical Leave with Pay

Employees who are injured while commuting under Part A Item 20 to a temporary work headquarters which is 50 kilometers or less from their regular work headquarters, will be eligible for a Medical Leave of Absence with Pay provided they are deemed unable to work by the Chief Physician. The employee must apply for WSIB. This leave shall be paid at 75 percent (75%) of the employee's base rate once sick leave credits are exhausted. Sick leave plan rules apply. The medical leave shall be for a maximum of six months or when the employee is placed on LTD, whichever occurs first.

12.2 Long Term Disability

12.2.1 General Provisions of LTD Plan

The Long Term Disability (LTD) Plan provides financial security and rehabilitative employment features to regular employees during their absence from work due to extended sickness or injury. LTD benefits commence upon completion of the qualifying period which is defined below. Regular employees who are approved for the provisions of the LTD Plan will be subject to the following contractual provisions.

All employees who are in receipt of LTD benefits will be eligible to participate in the Rehabilitation and Re-employment Programme dependent upon their medical suitability and procedural requirements.

DEFINITIONS:

LTD Qualifying Period – The qualifying period is defined as the period six calendar months from the starting date of the employee’s continuous absence due to disability; or a total of six months in accumulative authorized medical absences in the year prior to the date sick leave expires due to the same progressively deteriorating disability; or the expiration of sick leave whichever is longer.

Disability Period – The period in which an employee cannot continuously perform the essential duties of any position available in accordance with the priority placement criteria of the Rehabilitation and Re-Employment Procedure.

Benefit Level – The Company agrees to assume the full cost of an LTD Plan for all regular employees. The Plan would provide for a monthly income during the disability period equal to the lesser of:

1. Sixty-five percent (65%) of base earnings at the end of the qualifying period for LTD benefits, or
2. Seventy-five percent (75%) of base earnings at the end of the qualifying period for LTD benefits less any compensation awards from the Workplace Safety and Insurance Board (WSIB) (excluding the Non-Economic Loss award) and/ or the Canada Pension Plan, excluding benefits for dependents.

NOTE

Regular part-time employees shall be eligible for pro-rated income benefits.

Miscellaneous Provisions – A person who runs out of sick leave credits will be granted a leave of absence without pay until such time as the LTD qualifying period elapses. The employee will continue to receive service credit during this period and have coverage maintained in but will not be required to contribute to the Company’s Pension Plan, Health and Dental benefits, and the Company’s Group Life Insurance Plan.

Where an employee has been retrogressed to a lower-rated job for medical reasons and within two years (not including the LTD qualifying period) begins receiving a monthly income under the LTD Plan for reasons directly related to the original medical condition, the base earnings used to compute the LTD monthly income payment shall be the current rate of the employee's original classification.

Exceptions and Limitations to the LTD Plan

LTD benefits will not be made available for claims resulting from:

1. A disability for which the person is not under continuing medical supervision and treatment considered satisfactory by the Insurance Carrier and the Company.
2. A disability caused by intentional self-inflicted injuries or illness while sane.
3. A disability from bodily injury resulting directly or indirectly from insurrection, war, service in the armed forces of any country, or participation in a riot.
4. Normal pregnancy leading to confinement.
5. Disability from occupational injuries for which the employee is receiving Loss of Earning ("LOE") award from the Workplace Safety & Insurance Board for the first 24 months of payment due to total disability.

No amount of LTD benefit will be payable with respect to the disability of an employee during any of the following periods:

1. If the disability is due to mental disorder, any period while the employee is not under the continuing care of a certified psychiatrist or other care authorized by the employee's psychiatrist.
2. If the disability is due to substance abuse, alcoholism and/or drug addiction any period in which the employee is not certified as being actively supervised by and receiving continuing treatment from a rehabilitation centre or a provincially designated institution.
3. The period during which the employee is on leave of absence, including Pregnancy Leave of Absence. The LTD qualify period begins on the date the employee is expected to return to work from that leave of absence.

12.2.2 Benefits While on LTD

1. **Service Credit:** Service credit shall not continue while the employee is in receipt of LTD benefits. Upon return to work, service credit shall be applied as per Item 12.2.4.

2. **Vacation Credit:** Any outstanding vacation entitlement for a person going on LTD will be paid in cash upon expiry of sick leave. The cash payment will be calculated on the base earnings at the expiration of sick leave for the prorated days of vacation entitlement, any outstanding lieu days, any outstanding floating statutory holidays, and banked time for 40-hour per week employees. No vacation entitlement, floating holidays, or banked time for 40-hour per week employees accrues while a member is in receipt of LTD benefits.
3. **Vacation Credit During Rehabilitation Employment:** Vacation credits will be earned based on the hours worked and the employee's vacation entitlement multiplied by the corresponding percentage listed below. These credits will be paid in cash in the last pay period of the year if not used by December 31, or upon return to regular employment, or upon termination.

Vacation Entitlement (Based on Service Credit)	Percentage of Accumulated Earnings/Hours Worked
10 working days or less annually	4%
15 working days annually	6%
20 working days annually	8%
25 working days annually	10%
30 working days annually	12%

4. The Company health and dental coverage premiums continue to be maintained by the Company.
5. **The Company Pension Plan:** The employee's membership in the plan continues. Upon expiry of sick leave, the requirement for employee contributions is waived. An employee is not required to make contributions to the plan while he/she is receiving LTD benefits. The retirement pension continues to accumulate. Years of service continue to accumulate for entitlement to rights and benefits under the Pension Plan.
6. **The Company Group Life Insurance Plan:** Commencing the first day of the month following the end of the qualifying period for LTD benefits, an employee will continue receiving the same insurance option during receipt of LTD benefits as that in force prior to such receipt. An employee who is in receipt of LTD benefits is not required to make contributions to the Group Life Insurance plan.
7. **Sick Leave Entitlement:** Upon receipt of the memorandum from the Chief Physician recommending that the employee should make application for LTD benefits, entitlement to accumulate or restore sick leave credits shall

cease on the day following the next accumulation date provided that it falls within the qualifying period.

8. **Union Dues:** Upon expiry of sick leave an employee's Union dues shall cease.
9. Employee status will continue with respect to maintaining redress rights to contractual provisions.

12.2.3 Recurring Disability After Return to Regular Work

If, on return to regular employment after receiving disability benefits, a subsequent period of disability recurs within six months and is related to the cause of the previous disability, the following shall apply:

Entitlement to existing sick leave credits shall cease, the qualifying period shall be waived, and the employee shall immediately receive LTD benefits as if there had been no return to work.

12.2.4 Individual Returns to Regular Employment

1. **Service Credit:** Continuous service recommences upon return to work and service credit accumulated prior to the date of receipt of LTD benefits will be added to it. In addition, for employees returning to regular employment within the first two years in receipt of LTD benefits, full service credit will be granted for that period as well. It should be noted that seniority for all employees in receipt of LTD benefits continues to accrue during the period they are in receipt of LTD benefits.
2. **Vacation Credit:** The employee will start earning vacation credit based on total service credit.
3. **The Company Health and Dental Coverage:** Premiums continue to be maintained by the Company.
4. **The Company Pension Plan:** Employee contributions recommence.
5. **The Company Group Life Insurance Plan:** Employee contributions recommence.
6. **Sick Leave Entitlement:** Eight days at 100 percent (100%) and 15 days at 75 percent (75%) pay shall be immediately credited. On the first accumulation date, restoration of sick leave credits will take place based on the total service credit. It is recognized that this provision is subject to the provisions of recurring disability as defined in Section 12.2.3.
7. **Union Dues:** Union dues recommence.

12.2.5 Termination of LTD Benefits

The LTD benefit ceases when any of the following events occur:

1. The date the individual ceases to be totally disabled or engages in any occupation for wage or profit except as permitted by the Rehabilitative Employment Clause.
2. The date the individual reaches age 65.
3. The date the individual fails unreasonably to furnish proof of the continuance of such total disability, or fails to submit to an examination requested by the Plan's medical advisors. At that point all LTD benefits will cease and the employee will be terminated.

When an employee does not comply with the above requirements the Union will be informed and act as the employee's advocate prior to such termination.

4. The date the individual dies.
5. The date the individual receives pension under the Company Pension Plan.

12.2.6 Indexation

1. **LTD Benefits:** Individuals who are in receipt of LTD benefits will have their LTD benefit level indexed by the same amount that pensions are indexed.
2. **Pension Calculation – Base Earnings:** For the purposes of calculating the pension benefit for LTD recipients the base earnings at the end of the qualifying period will be increased by the amount of the indexation increase granted in 1. above.
3. **Insurance Benefit – Base Earnings:** It is agreed that for purposes of calculating the group life insurance benefit for LTD recipients, the base earnings at the end of the qualifying period will be increased by the amount of the indexation increase granted in 1. above.

12.3 Rehabilitation and Re-employment

Rehabilitative employment is an important feature of the Plan which provides an employee with additional financial incentive and assistance to re-enter the work force. It is defined as any employment within the Company and remains in effect until the employee is offered regular employment.

If during the disability period, an employee becomes capable of working, the Company shall endeavour to provide an (disabled) employee with work he/she is capable of performing. It is recognized that an employee must be prepared to attempt rehabilitative employment. In the event the employee refuses reasonable

rehabilitative or regular employment, he/she shall be terminated and forfeit all rights to LTD benefits.

During rehabilitative employment, remuneration will be prorated based on the hours worked and the hourly rate of the current base rate of the rehabilitative position. Employees will continue to receive approved LTD/Sick Leave benefits, however, the benefit level will be adjusted so that the total of the rehabilitative earnings and these benefits shall not exceed the current base rate of the position occupied prior to disablement.

After the employee has successfully completed his/her rehabilitative employment and has been placed in a regular job on a continuing capacity, he/she will be paid at the normal rate of the job in which he/she has been placed, subject to any applicable retrogression policy.

12.4 Workplace Safety and Insurance Board Payments

The *Workplace Safety and Insurance Board* (WSIB) is responsible for administering the Workplace Safety and Insurance Act, and payments will be made according to the provisions set out within that Act. Any future legislative or regulatory changes may necessitate further discussion on the part of both parties.

Pending the decision of the WSIB regarding entitlement to awards, an employee's normal earnings will be maintained at his/her current level of sick leave (i.e. 100%, 75%, 0%).

12.5 Supplementary Grant

12.5.1 Definition of Supplementary Grant

The supplementary grant is an amount equal to the difference between the WSIB award and the employee's normal earnings after income tax deductions.

NOTE

WSIB award for this section excludes permanent impairment awards granted for accident dates prior to January 1, 1990, Non-Economic Loss Awards or Older Worker Supplements.

The employee's earnings for the purpose of calculating the supplementary grant will include only regular scheduled hours for a normal week.

The supplementary grant will be such an amount as to maintain the employee's normal net pay.

NOTE

Such a grant will not include payments for shift bonus, relief pay, overtime or premium hours or other payments which are not applicable when the employee is absent from and not available for work.

12.5.2 Who Receives the Supplementary Grant

The supplementary grant will be made only to probationary and regular employees.

Employees who are receiving *Workplace Safety and Insurance Board* benefits for claims or injuries suffered while in the employ of an employer other than the Company are required to notify the Company of being in receipt of those benefits in order to qualify for the supplementary grant. These employees will not be eligible for sick leave while receiving *Workplace Safety and Insurance Board* benefits that qualify for the supplementary grant.

12.5.3 Responsibility for Payment

The responsibility for payment will be in accordance with The Standard Authorities – Payroll Documents.

12.5.4 Withholding the Grant

The award of the supplementary grant should not be withheld unless there is strong evidence of gross negligence or obvious misconduct on the part of the injured employee. The supplementary grant will be withheld if the employee is not co-operating in the Early and Safe Return to Work Process or a WSIB Work Reintegration Plan or refuses a medically suitable position.

Authority for withholding the grant is vested in Vice President(s), Directors, Superintendents, in consultation with Human Resources, Labour Relations and the Manager of Health Services & Rehabilitation.

12.5.5 Payment While in Receipt of WSIB Award

An employee in receipt of Total Temporary Disability (TTD) benefits will receive the supplementary grant for the entire period. Upon notification of the amount of the FEL award and/or LOE award the Company agrees to pay supplementary grant monthly on the FEL award and/or Loss of Earning (LOE) award for a maximum of 24 months. Any workers' compensation payments in excess of the FEL award and/or LOE award, excluding the Non-Economic Loss (NEL) award, shall be considered part of the FEL award and/or LOE award for purposes of calculating the supplementary grant. Upon request, the employee shall be paid out any outstanding vacation entitlement while payments are being processed.

For employees on rehabilitative employment the total compensation of FEL and/or WSIB Award plus rehabilitative earnings plus the Company supplementary grant shall not exceed 100% of the current rate of the pre-disability job.

If after 24 months in receipt of supplementary grant and a FEL award and/or LOE award the employee is still unable to return to work, he/she shall be placed on sick leave. The employee will continue to draw from his/her sick leave bank on a daily basis at the rate of half a day if the amount equal to the supplementary grant is equal to, or less than 4 hours, and a full day if the amount equal to the supplementary

grant is greater than 4 hours per day. While on approved sick leave, however, the benefit level will be adjusted so that the total of any WSIB award and the sick leave benefit shall not exceed the employee's current base rate. Upon expiry of sick leave, if the employee is still unable to return to work, he/she shall qualify for LTD less any award, pension entitlement and/or any supplement from the Workplace Safety and Insurance Board (excluding NEL award) and/or the Canada Pension Plan.

12.6 Waiver of Posting or Selection

If at any time an individual who is in receipt of LTD or *Workplace Safety and Insurance Board* benefits is capable of returning to any further service with the Company or if a medically suitable position becomes available for an employee who is medically restricted while at work or on sick leave, the Company will request, and the Union shall normally grant a waiver of posting or selection after considering all medically restricted employees eligible under the Rehabilitation and Re-Employment Policy.

13.0 HEALTH INSURANCE PLANS

13.1 Regular Employees, Pensioners and Regular Employees Receiving Workplace Safety and Insurance Board Payments

Subject to the condition that employees enroll their spouse and dependent children, the Company agrees to pay 100 percent (100%) of the premiums for:

Exception: Regular part-time employees shall be eligible for Health Insurance Plan coverage. Such employees will be required to pay costs of premiums (except OHIP) based on hours not worked divided by the regular hours of the classification. If he/she elects not to pay, coverage will not be provided.

1. OHIP – Covers medical and standard ward hospital services.
2. Supplementary Plan – Covers semi-private hospital services.
3. Extended Health Benefit Plan – Coverage details are contained in the current brochure entitled “Extended Health Benefits for Hydro One Inc.”
4. Group Dental Insurance Plan – Coverage details are contained in the current brochure entitled “Supplemental Group Dental Benefits for Hydro One Inc. “

An employee may voluntarily discontinue coverage in plans 2., 3. and 4. Upon reentry, and depending upon the terms of each plan, a waiting period must be satisfied before services will be covered. This would not apply to changes relating to marital/dependents status.

Effective January 1 of each year of the collective agreement, dentist fees will be paid up to the amounts shown in the current ODA Fee Guide.

13.2 Probationary Employees

The Company will pay 100 percent (100%) of all claims and fees for all probationary and regular employees who are covered by the Semi-Private Hospital Accommodation Plan, Extended Health Benefits Plan and Dental Plan. Coverage will commence on the employee's Established Commencement Date and will cease on the employee's termination date.

The Company will pay 100 percent (100%) of OHIP premiums commencing the second month of employment.

14.0 PENSION AND INSURANCE

NOTE:

As a result of Re-Opener Negotiations and the subsequent Teplitzky Award dated June 15, 1998 and 2000 Negotiations, several revisions were made to the Ontario Hydro Pension Plan which were incorporated in the Hydro One Inc. Pension Plan.

The changes include:

Notional Account

In consideration for the Rule of 82, changes to indexing, and changes to survivor benefits each as described below, the Notional Account will be eliminated in respect of all members, former members and beneficiaries of the plan and the elimination shall be confirmed by the obtaining of all necessary orders (including an order varying the order of Mr. Justice Trainor dated November 4, 1991).

The union will take, on an expeditious basis, all steps as may be required in order to obtain the necessary orders and will support Hydro in any steps Hydro may be required to take. Each party shall bear its own costs.

Rule of 82

Effective July 1, 2000, any member who on the date of retirement is represented by the Power Workers Union may, on or after the first day of the month in which the sum of the member's age in years and years of continuous employment is equal to or greater than eighty two, receive a pension that is 100 percent of the member's earned pension computed in accordance with the rules of the pension plan, in particular, rule 6.

Indexing

Effective on the date the Notional Account is eliminated, the plan shall be amended, in respect of members and former members who immediately prior to termination of employment were members of the union, to increase pension benefits on January 1 of each year by 100 percent of the increase in the Consumer Price Index, up to a maximum of 8 percent per year. In the event that the increase in the CPI exceeds 8 percent, the increase shall be carried forward to future years. In the event that the CPI decreases, the percentage decrease shall be applied in determining subsequent increases in pension benefits. A decrease in the CPI shall not reduce pension benefits in payment.

Changes to indexing as described in this section are subject to the condition precedent that the Notional Account will be eliminated for all members and former members and confirmation thereof by order as set out above.

In the absence of such an amendment and elimination of the Notional Account, the pensions of members and former members who immediately prior to termination of employment were members of the union will be increased by 100 percent of the increase in the CPI effective January 1, 1999 and January 1, 2000 and the cost of such indexing shall be charged to the Notional Account in the same way as was done in respect of the increase on January 1, 1998.

Survivor Benefits

Effective July 1, 2000, pensions of survivors of members or former members who on the date their employment ceased were members of the union shall be based on 66 and 2/3 percent of the member's pension rather than 64 percent of the member's pension.

Contribution Holidays

The parties agree that they will jointly approach the Government of Ontario to amend the *Power Corporation Act* to permit the Corporation to take contribution holidays from April 1, 1998 to the earlier of the date the collective agreement expires or the date subsection 22(4) of the *Power Corporation Act* is repealed.

14.1 Changes to the Pension Plan

- 14.1.1** The present Hydro One Inc. Plan forms part of this Collective Agreement. The pension portion of the Plan is generally described in the current brochure "Your Hydro Pension Plan". Changes to the plan affecting employees within the jurisdiction of the Union shall be subject to the following:

1. Subject to 2, Hydro One Inc. shall not make rules which would change employee benefits unless upon mutual consent.
2. In the event of the enactment of any general pension legislation applicable to the employees of Hydro One Inc., amongst others, Hydro One Inc. may, after notification to the Union, effect amendment of the Hydro One Inc. Plan provided that the combination of benefits resulting from the Hydro One Inc. Plan as so amended and such legislation will not be less in the aggregate than the benefits now provided.

14.1.2 Pension items will be submitted at the time that regular amendments to the Collective Agreement are submitted and will be negotiated at the time of regular bargaining.

14.2 Pension Plan

14.2.1 The interest rate on contributions returned to terminated employees will be calculated as set out in the Hydro One Inc. Pension Plan.

14.2.2 Integration with Other Benefits: Pension disability to be discontinued upon implementation of LTD Plan. Those presently on pension disability to continue under the existing provisions.

14.2.3 In recognition of proposed benefit improvements the Union agrees that the value of any EI rebate shall accrue to Hydro One Inc.

14.2.4 Early Retirement – Without Discount

1. Effective January 1, 1981 employees with the following age/service combinations may retire early with no loss of accrued benefits:
 - Age 60 or over with 25 years' service.
 - Age 59 or over with 26 years' service.
 - Age 58 or over with 27 years' service.
 - Age 57 or over with 28 years' service.
2. Employees may retire without discount when their age and years of continuous service equals 82 or more.
3. Employees who do not qualify for an unreduced early retirement pension under 14.2.4(1.) or 14.2.4(2.) may retire without discount after completing 35 years of continuous service.

Early Retirement Discounts

Table 1		Table 2		Table 3	
All employees with 25 or more years' continuous service (except females hired prior to 1976)		All employees with 15 or more but less than 25 years' continuous service (except females hired prior to 1976)		Female employees hired prior to 1976 with 15 or more years' continuous service	
Age	Percent Discount	Age	Percent Discount	Age	Percent Discount
55	15	55	25	50	25
56	12	56	22	51	22
57	9	57	19	52	19
58	6	58	16	53	16
59	3	59	13	54	13
60	0	60	10	55	10
61	0	61	8	56	8
62	0	62	6	57	6
63	0	63	4	58	4
64	0	64	2	59	2
65	Normal Retirement	65	Normal Retirement	60-65	Normal Retirement

NOTE

The above factors apply to employees who do not otherwise qualify for undiscounted early retirement pension.

14.2.5 Early Retirement – With Discount

1. The early retirement discount factors shown in Table 1 are for employees with 25 or more years' continuous service (except females hired before 1976) who do not qualify for undiscounted early retirement pension.
2. All employees who terminate and vest their pension will be entitled to the same early retirement discount as set out under 1. above provided they had completed 25 years' continuous service by the date of their termination.
3. The early retirement discount factors shown in Table 2 apply to all employees who have 15 or more but less than 25 years' continuous service, except females hired before 1976.
4. The early retirement discount factors shown in Table 3 apply to all female employees hired before 1976 who have 15 or more years' continuous service and do not qualify for an undiscounted pension.

14.2.6 Transfer of Pension Credits Between Reciprocal Employers and Hydro One Inc.

Providing the reciprocal employers agree, the pension credits may be transferred to and from the reciprocal employer and Hydro One Inc. if the affected employees have fully vested their pension credits with the former employer and were hired by Hydro One Inc./reciprocal employer within three months of the termination date. This provision allows retroactive application.

14.3 Group Life Insurance

The present Life Insurance Plan of Hydro One Inc. forms part of this Collective Agreement.

14.3.1 At the time permanent wage adjustments to base annual earnings (as defined in the insurance plan) are implemented, adjustments will also be made in insurance coverage as follows:

1. If the change is effective on or between the first calendar and the first fiscal day of the month, eligibility is established for the given month.
2. If the change is effective on any other day of the month, eligibility is established for the next month.

14.3.2 Life insurance coverage of \$20,000.00 will be provided for employees who are required to work or travel in helicopters or aircraft. This coverage shall be in addition to the Group Life Insurance Plan.

14.3.3 Additional Employee, Spousal and Dependent Life Insurance

Effective July 1, 1994, eligibility under the Spousal Life Insurance Program in place as of April 1, 1994 will be extended to PWU represented employees. Effective July 1, 2001, eligible dependents will be eligible for life insurance coverage on the same basis as the Spousal Life Insurance Program at no cost to the Company.

At no cost to the employer, effective July 1, 2002, employees will have the option of purchasing additional term insurance in blocks of \$10,000 to a maximum of \$150,000 at rates established and with the conditions defined by the insurance company.

15.0 RETIREMENT

15.1 Bonus and Outstanding Vacation Payments on Retirement

1. An employee who has completed 10 years of continuous employment, shall be given, on retirement, a cash bonus equal to one month's pay. (In the case of a regular part-time employee, the one month's pay will be pro-rated as per Part A, Item 1.2.2.)

2. The employee on retirement shall also be given a cash payment for any outstanding vacation credits. The cash payment will be on the same basis as outlined in Part 'A', Section 6.6 – Vacation Payment on Termination.
3. If required by the Company to postpone his/her vacation for the year immediately prior to retirement, he/she shall receive a cash payment for that period. No payment shall be made for unused vacation for any other years.

15.2 Retirement While Ill

An employee who falls ill and is not able to return to work prior to the approved normal or early retirement date, shall, subject to approval by the Chief Physician, continue to be carried on the payroll as follows:

15.2.1 Sick Leave Grant Extends to or Beyond Retirement Date

If the sick leave grant carries the employee to or beyond the approved retirement date, the employee shall be retired upon being declared fit to return to work, or upon expiration of the sick leave grant, whichever comes first. The employee shall be given a cash payment in lieu of any outstanding vacation entitlement up to normal retirement date [see Subsection 15.1(2.) preceding], plus a bonus of one month's pay [if applicable, see Subsection 15.1(1.)].

15.2.2 Vacation Credit and Bonus Extends to or Beyond Retirement Date

If the sick leave grant expires prior to the approved retirement date, but part or all of the outstanding vacation credit (Part 'A', Section 6.6 – Vacation Payment on Termination) and bonus of one month's pay [if applicable, see Subsection 15.1(1.) preceding] carries to or beyond the approved retirement date, the employee shall be given a cash payment in lieu of any unused portion of:

1. The vacation credit accumulated up to the expiry of the sick leave; and/or
2. The month's bonus.

15.2.3 Sick Leave Grant, Vacation Credit and Bonus Expires Before Retirement Date

If the sick leave grant together with any outstanding vacation credit and month's bonus [where applicable, see the preceding Subsection 15.1(1.)] does not carry to the approved date, the case shall be referred to the Director of Health and Safety for a determination of the employee's eligibility for LTD.

15.2.4 Unused Vacation Credit for Preceding Year

An employee on sick leave grant which extends over the beginning of a calendar year may be allowed credit for any unused vacation for the preceding year, subject to the approval of the director, or official of equivalent or higher status with the concurrence of the Director of Health and Safety.

16.0 REDUCED HOURS OF WORK FOR EMPLOYEES WHOSE NORMAL HOURS OF WORK ARE 40 PER WEEK

Effective April 1, 1994, the base work week for 39.5 hour per week employees was reduced to 39.0 hours per week.

1. The normal scheduled and paid hours of work will remain at 40 per week.
2. Overtime rates will be paid for all hours in excess of normal scheduled hours.
3. This banked time may be taken on such days as the employee and his/her supervisor mutually agree upon following reasonable advance notice on the part of the employee.
4. Banked time may be taken off in a minimum of half-day (i.e., four-hour) increments.
5. Banked time accumulated in a calendar year must be taken by April 30 of the following year.
6. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD as noted in Part 'A', Item 12.2.1), unused banked time entitlement will be assigned on the last working day(s) prior to April 30.
7. Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
8. Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence and Pregnancy / Adoptive / Parental Leave.
9. When an employee terminates or when an employee is reclassified to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.

16.1 Alternate Hours of Work Arrangements

In the interests of promoting organization effectiveness whilst meeting the needs of employees, the local chief steward and the appropriate management designate may agree to Hours of Work Arrangements for a work group or crew other than the normal scheduled hours/days for purposes of using up banked hours only. Either party with reasonable notice may cancel or request a change to the hours of work arrangement. Where banking of time is the agreed upon arrangement, the provisions of 16.2 will apply.

The following organization effectiveness criteria will be considered to determine which hours of work arrangement including banking time is appropriate.

- (i) Where possible, hours should be arranged to allow more flexibility for employees
- (ii) Productivity levels overall will be maintained
- (iii) Cost effectiveness e.g. impact on overtime, staff levels
- (iv) Requirement for job coverage
- (v) Effective work flow and interface among work units
- (vi) Level of service to external and internal customers

16.2 Where an alternate hours of work arrangement has not been agreed to in 16.1, the employees will continue to work 40 hours per week, banking one hour per week at straight time subject to the following:

1. The normal scheduled and paid hours of work will remain at 40 per week.
2. Overtime rates will be paid for all hours in excess of normal scheduled hours.
3. Bearing in mind organization effectiveness and with reasonable advance notice on the part of the employee, this banked time may be taken on such days as the employee and his/her supervisor mutually agree. Banked time must be taken by April 30th of the following year.
4. Banked time for shift workers shall be rescheduled as part of the time balanced schedule. Should the parties affected by a particular schedule mutually agree otherwise, the banked days may be scheduled outside the shift schedule.
5. Banked time may be taken off in a minimum of half day (i.e. four hour) increments. By mutual agreement fewer hours may be taken off to accommodate abnormal situations.
6. Banked time will be calculated on a calendar basis. At that time bank time credits will be calculated and adjusted accordingly. Note: This represents a change in the period used for calculating banked time (i.e. from April 1 – Mar 31). Employees will not earn more or lose time as a result of this transition.
7. Where the employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD as noted in Part 'A', Item 12.2.1), unused banked time entitlement will be assigned on the last working day(s) prior to April 30.

8. Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
9. Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence, and pregnancy leave and parental leave.
10. When an employee terminates or when an employee is reclassified to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.
11. Within the calendar year, banked time may be taken off prior to it being earned. If an employee leaves a banked time arrangement having taken more time than time earned, the employee will pay back the unearned amount by one of the following methods:
 - i) vacation or floating holidays, and where applicable statutory holiday credit;
 - ii) payroll deduction – the employee may be required to provide written authorization for payroll deduction.

17.0 PAYMENT FOR ALLOWANCES

17.1 Temporary Instruction

17.1.1 Daily Allowance

An allowance of \$30.00 per day or part of a day will be paid to an employee withdrawn from his/her normal duties for up to a maximum of thirty consecutive working days, to prepare for and/or to deliver classroom instruction or group demonstration.

Instructors assigned beyond thirty consecutive working days will be compensated at the regular Training Technician rate (Grade 65, Step 3), or 6% more than the individual's normal base rate whichever is greater.

Temporary Instructor requirements anticipated to exceed five months in duration but not greater than eighteen months shall be posted as Temporary Instructor vacancies (as per Article 10). Compensation will be at the regular Training Technician rate (Grade 65, Step 3), or 6% more than the individual's normal base rate whichever is greater.

These training delivery opportunities will be distributed as equitably as possible based on the skills necessary to carry out the training.

Employees so appointed who are required to give instruction outside of normal working hours shall be paid for this time at the appropriate premium rate in addition to the allowance/rate.

This allowance would not apply to:

- preparing and/or presenting a segment of his/her routine safety meeting
- on the job training given by an employee
- those employees whose normal duties include instruction
- any supervisor who is not removed from his/her normal duties and who receives greater than 5 percent more than those he/she supervises
- normal journey person to apprentice relationships
- the evaluation of performance on a specific training project as in the Electrical Maintenance Training Program.

17.1.2 Weekly Allowance

Those employees who are appointed to instruct Controller/Dispatcher Trainee along with their regular duties shall receive \$50.00 per week bonus which is in compensation for the instruction and preparation of instruction material and for evaluating the performance and progress of the Controller/Dispatcher Trainee on a continuing basis of at least one week's duration.

Employees so appointed who are required to give instruction outside of normal working hours shall be paid for this time at the appropriate premium rate in addition to the allowance specified above.

This allowance does not apply to:

- on the job training given by an employee
- employees whose normal duties include instruction.

17.2 Part B Employees (Maintenance Trades)

17.2.1 Apprentices Attending School

Where an apprentice is required to attend a trades school in order to qualify as a tradesperson, or where it is clearly in the Company's interest to have the apprentice attend such a school, the apprentice will be granted a living allowance equivalent to 75 percent (75%) of his/her normal earnings in addition to any government grant, while attending a vocational or trades school under the Apprenticeship Act.

17.2.2 Field Allowance

A field allowance of \$25.00 per overnight stay will apply to all employees when working from bush camps or in northern communities in the Northeast and Northwest served by local diesel generation.

17.3 Part D Employees (Weekly Salaried)

17.3.1 Frontier Allowance

Regular weekly-salaried employees involved in construction who are absent from their headquarters for a period in excess of three consecutive weeks performing engineering and survey work in isolated locations in the Northeast and Northwest shall be entitled to a special 'Frontier' Allowance of \$5.00 per week for the full period worked.

17.3.2 Remote Northern Communities

An allowance of \$25.00 per overnight stay will apply to all regular employees in 'Protection and Control' when working in northern communities in the Northeast and Northwest served by local diesel generation.

18.0 HEADQUARTERS

18.1 General

Two classes of headquarters are established by the Company: work headquarters and residence headquarters.

18.2 Definitions

Work Headquarters – Regular: That location to which the employee normally reports in order to receive his/her daily work assignment or to perform his/her regular duties.

Work Headquarters – Temporary: The centre from which an employee is directed to work when carrying out all or part of his/her duties away from his/her regular work headquarters.

Residence Headquarters: The residence headquarters is that location within which or adjacent to which he/she is expected to reside or is assumed by the Company to reside for purposes of payment of allowances.

NOTE

The residence headquarters may or may not be the same location as the work headquarters.

Householder: Householder is defined as a person who maintains a complete dwelling.

18.3 Establishment of Headquarters

18.3.1 Work Headquarters

The Company may, at its discretion, establish work headquarters in any location for effective administration.

Notice Period – Overnight Absence at Temporary Work Headquarters: In the event an employee is assigned to temporary work headquarters and overnight absence is required, three working days' notice will be given. Notice will not be required where emergent conditions exist.

Penalty: Failure to provide notice as above will require payment of premium⁴ rates for work performed from the temporary work headquarters until the notice period has expired. This provision does not apply to travelling crews.

18.3.2 Residence Headquarters

The establishment of residence headquarters will be dependent upon the presence of adequate living facilities at that location.

Residence headquarters for employees with no spouse or dependents may be any location where there are boarding facilities either Company or privately owned.

Residence headquarters for employees with a spouse and/or dependents may be any location where there is housing accommodation whether it be Company or privately owned.

NOTE

Such accommodation must be one at which it is reasonable for the employee to reside.

Establishment of New Residence Headquarters: When a residence headquarters is established in a location which was not previously so designated, the human resources manager shall advise Labour Relations who, in turn, shall advise the Union.

NOTE

The Union need not be advised on individual moves from one established residence headquarters to another.

18.4 Change of Headquarters Upon Transfer

18.4.1 Advice of Headquarters

An employee shall be advised, when employed or transferred, of the location of his/her residence and work headquarters.

⁴ Time and one-half for two hours, double time for next four hours.

18.4.2 Notice of Transfer

When employees with more than one month's service are transferred and a change of residence headquarters is involved, a minimum of one month's written notice shall be given. This shall not apply in the case of an employee being transferred as a result of an advertised vacancy or as a result of the Worksite Redeployment clause of Article 11.0.

18.4.3 Duration of Stay in New Residence Headquarters

Householder: A change in residence headquarters will not be made for a householder unless it would appear that he/she will be located at the new residence headquarters for a period of at least six months.

Living in Trailers: For those employees living in household trailers, moves for lesser periods than six months may be authorized at the discretion of the division or region concerned, bearing in mind the distance and economics involved.

19.0 TRAVELLING TIME OUTSIDE NORMAL WORKING HOURS

When a supervisor directs employees to travel between one work centre and another work centre, they shall be entitled in any calendar day to payment for travelling at the appropriate premium rate in accordance with conditions governing overtime up to a maximum of the number of hours which constitute a normal work day subject to the following:

1. Overtime will be paid when employees are required to drive a Company vehicle outside normal working hours unless being used exclusively for their own personal transportation.
2. When travelling by public transportation, travelling time shall be considered to include waiting periods beyond the employee's control up to a maximum of five hours; both preceding, during and subsequent to the travelling period, but excluding meal periods (one hour each) occurring during the waiting period.
3. When a berth or overnight accommodation is allowed and available, compensation shall not be made between 2300 hours and 0800 hours, nor shall the time spent for noon and evening meals (one hour each) be subject to compensation.
4. Normally selection interviews are conducted during employee's normal working hours. However, where it is unavoidable, and an interview is scheduled outside an employee's normal working hours, additional payment will be made at straight time for each hour spent in interviewing or travelling up to a maximum of a normal day's basic pay for each day involved.

5. No compensation for travelling time outside the normal working hours shall be made in the following circumstances:
 - (a) For the first three hours travelling time each way when directed by his/her supervisor to attend a training course away from his/her normal work headquarters for five days or more. Payment for periods beyond the first three hours will be at straight time rates up to maximum of a normal day's basic pay.
 - (b) For attendance at conventions (except where it is part of the employee's normal function).
 - (c) When a change of residence headquarters and related transfer is involved, the employee will normally travel during normal working hours without any loss of base pay. If the employee is required to travel on a regular day off, payment for travelling time will be made at straight time up to a maximum of the number of hours which constitute a normal work day.
 - (d) On periodic return to residence headquarters resulting from a permanent transfer, as outlined in Section 23.12.
 - (e) For a new employee reporting to some administrative centre or station for instruction or training before reporting for work at his/her new location.

6. Where the Company normally provides transportation facilities between residence headquarters and work headquarters for normal daily hours an employee required to work extension overtime will be provided free transportation to the residence headquarters.

NOTE

Equivalent time off without pay may be granted on the basis of an hour off for each hour spent travelling provided the workload permits.

20.0 COMPENSATION AT TEMPORARY HEADQUARTERS

During the term of this Collective Agreement, Management agrees it will not establish TWHQs that are less than 25 km from the regular work headquarters, with the following exceptions:

1. Within the Greater Toronto Area.
2. By mutual agreement between the Supervisor (FLM or Manager) and the PWU Chief Steward

It is understood that Management retains the right to deny employees the opportunity to commute to and/or from a TWHQ if there is a bona fide health and safety concern. Examples of such concerns are:

1. When the combination of work hours and commuting time would exceed 14 hours.
2. When there is extreme weather conditions.

20.1 Travel Outside of Residence Headquarters

When employees are directed to work at a temporary work headquarters which is outside of their residence headquarters, and when such headquarters is 50 kilometers or less from their residence headquarters, the employee will be eligible to receive the commuting expense outlined below. When the distance is greater than 50 kilometers the employee may wish to commute daily rather than remain at the temporary work headquarters. When commuting, the employee may claim a daily travel expense on the following basis:

1. Where the temporary work headquarters is 50 road kilometres or less from the regular work headquarters: – **\$40.00**.
2. Where the temporary work headquarters is greater than 50 road kilometres but less than 101 road kilometres from the regular work headquarters: – **\$60.00**.
3. Where the temporary work headquarters is 101 road kilometres or more from the regular work headquarters: – **\$90.00**.

Employees are required to be at their temporary work headquarters at normal starting time and remain until normal quitting time. Employees will normally arrange for their own transportation, however, employees being paid a daily commuting expense may be required to drive a Hydro One vehicle to the Temporary Work Headquarters rather than their own personal vehicle. In these situations, the employee is still entitled to claim the full daily commuting expense and transportation arrangements will be made to return them to their regular work headquarters. Any passengers are also entitled to claim the full daily commuting expense. The driver is not entitled to overtime payments.

Employees must inform their supervisor, prior to commencing the TWHQ assignment, whether they elect the daily travel expense or remaining at the temporary headquarters for TWHQ greater than 50 kilometers. Such elections are for a one week period or the duration of the TWHQ assignment if it is less than a full week. On an exception basis, and only due to extenuating circumstances, the employee can change his/her election. When this occurs, all that is changed is the daily travel expense (that is, one return trip) is exchanged for motel and meals (or vice versa) for each affected day. As well, on an exception basis, and only due to extenuating

circumstances, the supervisor can change the employee's election to take the daily travel expense. When this occurs, all that is changed is the daily travel expense (that is, one return trip) is exchanged for motel and meals for each affected day.

When employees elect to stay at the temporary headquarters as outlined above they shall be:

1. Paid for time spent travelling on the first trip when the work headquarters is changed and the last trip when he/she returns to his/her regular work headquarters.

While an employee is in receipt of benefits under Section 20.1, he/she will not be entitled to any of the provisions as set forth in 20.3.

20.2 Travel – Compensation When Assigned to Temporary Work Headquarters – Outside Residence Headquarters

It is often necessary for Company employees including those on transfer to work at temporary work headquarters which are at points distant from their residence headquarters.

Having due regard to the nature, importance, and length of the job and when practicable, the Company shall, within reasonable limits, reimburse the employee for expenses incurred in returning to his/her residence headquarters once each week. If an employee chooses to remain at the temporary work headquarters, the Company will pay the lesser of the cost of meals and accommodation or the cost of the return trip to his/her regular work headquarters.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.3 Return to Residence Headquarters When Transferred to a Temporary Work Headquarters

Entitlement will be for the duration of the transfer (subject to postponement as per 20.6.2 below).

All travel time associated with return to regular headquarters will be outside the employee's scheduled hours of work. The employee will be entitled to payment for actual time spent travelling at straight time to a maximum of eight hours each way.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.4 Assignments to Training Courses

Employees assigned to temporary work headquarters for training courses of five days or more will be compensated for expenses incurred in returning to his/her residence headquarters once each week.

No compensation shall be made for the first three hours of travelling time each way. Payment for periods beyond the first three hours will be at straight time rates up to a maximum of a normal day's basic pay.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.5 Expenses – Outside Residence Headquarters

The Company shall assume, within reasonable limits, the cost associated with meals, travel and lodging while an employee is assigned to a temporary headquarters. Where possible, single room accommodation will be provided.

Board and lodging shall be supplied without charge if the employee is living in Company-operated quarters.

When employees are required to work away from their normal headquarters for three consecutive days or more in a week, they shall be entitled to claim \$20.00 in compensation for laundry and long distance telephone calls home.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.6 Qualifications to Above Policy

The return trips mentioned in Section 20.3, will be granted subject to the following conditions:

20.6.1 Scheduling of Trips

Return trips to residence headquarters shall be made at times when service or apparatus will not be jeopardized thereby except in case of emergency such as illness in the family or other matters highly important to an employee.

The Company will schedule the trip to meet the needs of the majority concerned or by mutual agreement where the work of some employees is dependent on the assistance or presence of other employees.

20.6.2 Postponement of Return to Residence Headquarters

If, at the end of a week, when a return to residence headquarters would normally take place, it appears that the job will be completed on or before Wednesday of the following week, the return trip may be postponed until the job has been completed. If work is not planned on the weekend, the employee will have the option of remaining at the temporary headquarters or claiming the equivalent cost of staying at the temporary work headquarters and make his/her own arrangements.

20.6.3 Use of Company Vehicles

The round trip to residence headquarters must be made within the scheduled non-working period. It must be made in a Company vehicle whenever the services of a suitable vehicle are available.

When a suitable Company vehicle is available, employees who do not avail themselves of these facilities will not be reimbursed for transportation expenses. Those who remain at the temporary work headquarters will be treated as if they were at residence headquarters.

When transportation by Company vehicle is not provided, the equivalent of public transportation costs or the standard kilometre allowance, whichever is lesser, will be authorized by his/her supervisor for an employee who chooses to use his/her own car instead of public transportation for himself/herself alone or for carrying other employees as passengers.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.6.4 Alternate Working Arrangements

In special cases when a temporary work headquarters is remote from public transportation, employees will be allowed to accumulate or “bank” overtime at straight time rates to a maximum of 40 hours in order to have extra time away from the job. Such permission shall only be granted when the majority of the affected employees agree. Each special case is subject to agreement between the PWU Executive Committee and Labour Relations.

When mutually agreed to by management and the local chief steward alternate hours of work (e.g. 7 days on 7 days off) may be established to allow employees to have extra time away from the job.

20.7 Alternative to Return to Residence Headquarters

The Company will consider paying travelling costs up to a maximum of the costs to residence headquarters when an employee wishes to go to some other location for personal reasons such as to join his/her family who are vacationing.

This item does not apply to an employee in receipt of a daily commuting expense outlined in item 20.1.

20.8 Travel Inside Residence Headquarters

When employees are directed to report for work at normal starting time at a temporary work headquarters which is within their residence headquarters, they will be paid a daily travel expense equivalent to the return road kilometres between the temporary work headquarters and the regular work headquarters, computed at the current standard kilometre rate. This travel expense will be paid each day

the employee works at the temporary work headquarters. In addition to this daily travel expense, the employee shall be paid for time spent travelling on the first trip when the work headquarters is changed and the last trip when he/she returns to his/her regular work headquarters. Trades and Protection and Control staff, whose regular work headquarters is within the city of Toronto, shall be eligible for the commuting expense outlined in Part A Item 20.1 when assigned to a temporary work headquarters within residence headquarters.

20.9 When employees are directed to work at a temporary work headquarters as in Section 20.8 and the Company provides a vehicle for daily transportation, the above daily travel expenses shall be reduced by 50 percent (50%).

21.0 METROPOLITAN TORONTO BOUNDARIES

For purposes of payment of travelling allowances the boundaries of Metropolitan Toronto, for Company purposes, shall conform to the Toronto metropolitan area boundaries as recognized by the municipalities constituting Metropolitan Toronto.

NOTE

This does not affect other special settlements relative to moving allowance, meals, etc., presently in effect within the metropolitan area of Toronto.

22.0 KILOMETRE RATES

Kilometre rates paid to employees using their automobiles on Company business shall be as follows:

1. The rate paid per kilometre is related to changes in the Private Transportation Index component of the Consumer Price Index of Canada.
2. The rate of .40 cents per kilometre will take effect on June 1, 2000.
3. Future increases of one cent per kilometre will occur with each additional ten percent (10%) point increase from the base figure of 31.5 (1992 CPI = 100) in accordance with the formula described in a letter of agreement between The Company and the Union dated May 25, 1983.
4. Conversion factor is 1 mile = 1.6 km.
5. A decline in the index below the level of a previously surpassed trigger point for two or more consecutive months will result in a reduction in the paid rate to the appropriate amount.
6. The effective date for any new kilometre rate triggered by this indexing formula will be the first of the month following the month in which the index is published.

7. The additional payment for hauling household trailers will be nine cents per kilometre. The payment for hauling smaller trailers (camper, ski-doo, boat, etc.) will be three cents per kilometre.
8. The above rates will apply on a province-wide basis.

As a condition of employment, the Company does not require anyone to own a car. When transportation is required, the employee may, with the Company's approval elect to use his/her own car at the approved kilometre rate but if he/she does not elect to use his/her own car or if he/she does not own a car, the Company will, if necessary, provide alternative transportation appropriate to the occasion. However, ownership of an appropriate driver's license may be a condition of employment in some situations.

23.0 TRANSPORTATION AND MOVING EXPENSES

23.1 General

Method of Transportation: The method of transportation and all expenses chargeable to the Company in moves of employees are subject to the control and approval of the Company.

Packing and Shipping Furniture: In view of the Company's willingness to pay for packing furniture, as well as transportation, employees usually will not be allowed time or travelling expenses to return from point of work in order to look after packing and shipping of furniture, subject to Subsection 23.5, Time Off For Move.

23.2 Notice of Transfer

Refer to Section 18.4.2.

23.3 Transfer of Temporary Employees

The Company will only pay necessary travelling expenses of temporary employees when they are moved from one location to another at the Company's request.

NOTE

The transportation of families and/or furniture of such employees will not be paid.

23.4 Appointment of New Probationary Employees

A new employee hired for a regular position in a location other than the point of hire will not ordinarily be recompensed for moving expenses.

NOTE

In exceptional cases, as part of the employment agreement, a director may pay all or part of the moving expenses of the employee and household to the location where the employee will be employed.

This rule applies to a new controller/dispatcher-trainee or a new apprentice who is being assigned to the first location.

NOTE

Costs of transporting the family of a controller/dispatcher trainee or of an apprentice to a new location during the training period will be paid, but costs of moving the household effects of a controller/dispatcher trainee or of an apprentice who is a householder will only be paid when they have attained two years' service or on the final move to a regular position.

23.5 Transfer of Regular Employees

The following instructions will apply to all regular employees subject to the following limitations: A controller/dispatcher trainee will be eligible when progressing satisfactorily with the training course, after the attainment of two years' service. Apprentices will be eligible upon successful completion of the learner stage of their development, i.e., when they become improvers. In the case of regular part-time positions, expenses for employees will be pro-rated based on the hours of the position into which they are moving except for moves governed by Article 11.20 in which case Part A, Item 23.0 applies in whole.

Householders: When the residence headquarters of a regular employee, who is a householder, is changed and the employee's work headquarters is moved 15 km further from his/her home and such employee has moved his/her household at least 15 km closer to his/her new work headquarters, the Company will pay the cost of:

NOTE

A householder is defined as a person who maintains a complete dwelling.

1. Transporting the employee and family.
2. The packing, freight or truck charges on household effects, among which will be included boats and second automobiles which are part of the personal effects of the employee.

NOTE

Items of this kind which are used for business farming or commercial purposes, as well as large boats such as houseboats which would require special transportation would not be included in moving expenses paid by the Company.

3. The cost of board and lodging for the employee's family while furniture is in transit.

Board and Lodging: The Company will also pay the expenses or board and lodging allowance for the employee as applicable under Part 'A', Section 23.15.

Part 'D', Job/Field Clerks: Moving expenses will only be paid when there is a minimum of six months' work available at an established work headquarters or on a special project for these employees who are householders.

NOTE

For regular employees living in household trailers, moves for lesser periods of time than six months may be authorized by the department head or construction manager concerned. In this connection the distances and economics must be carefully considered.

Incidental Out-of-Pocket Moving Expenses: Employees may claim a \$4,500 allowance for miscellaneous out-of-pocket expenses required by the move. The requirement for supporting receipts and taxability of the allowance will be governed by Accounting Service Procedures.

Lease Termination: The Company will pay up to the maximum of two months rent towards the actual cost in terminating a lease.

Time off for Move: If regular employees who are householders are required to move their household to new residence headquarters on a regular scheduled day of work, they shall be granted one day off with pay to assist in the move.

NOTE

Extension of this time off with pay will be at the discretion of the director concerned.

Non-householders: When the residence headquarters of a regular employee who is a non-householder is changed, the cost of transporting the employee will be paid. A director, at his/her discretion, may authorize actual moving expenses to a maximum of \$750.00 or a lump sum payment of \$750.00 towards the cost of moving personal effects, including furniture. No reimbursement will be made for incidental out-of-pocket expenses.

NOTE

This section does not apply to controller/dispatcher-trainees nor to indentured apprentices with less than two years' service.

Kilometre: All employees described under the Householders and Non-householders sections may be allowed the regular kilometre rate for driving the employee's car to the new location provided that such cost is not more than it would otherwise cost for transportation of the employee's family and for freight on shipment of the automobile.

NOTE

When the Company considers a preliminary trip to the new location is necessary for interview or for the employee to seek a house, the time, board and lodging and travelling expenses of the employee may be paid.

Legal and Real Estate Brokerage Fees: In addition to the provisions of the Householders and Kilometre sections, with the exception of employees and circumstances listed in Exceptions subsection below, regular employees who are householders, required by the Company to move their principal residence, shall be entitled to the following:

1. The Company will reimburse the employee up to \$3,500.00 for legal fees and disbursements actually incurred in selling the old residence and/or buying the new principal residence, (legal fees will be in accordance with a standard recognized scale and could include such items as land transfer tax, survey and legal fees associated with arranging or discharging a first mortgage and mortgage appraisal fees).
2. The Company will reimburse the employee for standard brokerage fees up to \$11,500.00 related to the sale of the old principal residence.
3. To qualify for payment of expenses involved in purchasing a new residence, the employee must give written notice at the time of his/her transfer that he/she intends to buy a residence.
4. If an employee sells a mobile home [i.e., a trailer designed and used exclusively as a residence which exceeds 2.6 metres (8.5 feet) in width or 10.67 metres (35 feet) in length], he/she is considered to have sold his/her residence.
5. When an employee's actual cost exceeds the maximum allowed in either 1 or 2 above the employee may utilize any surplus in the other item up to the maximum of \$15,000.

Exceptions: Any transaction which is not commenced within one year of the date of the employee's transfer. Extension of this time period shall be at the discretion of a director.

Moves resulting from a demotion for cause.

23.6 Housing Assistance Plan

Eligibility for the Housing Assistance Plan is conditional on the employee abiding by all the requirements of the Housing Assistance Plan as listed below:

23.6.1 Application

23.6.1.1 The housing assistance plan applies to regular employees eligible under Item 23.5 who are subject to a forced transfer or who have received a written declaration that they are surplus.

23.6.1.2 The provisions of this policy are only applicable to the principal residence of the employee, but do not cover other commercial (income producing) properties, cottages which are not the principal residence, farms, commercial real estate holdings, tenanted properties (e.g. duplex or triplex), mobile homes on leased land, or residences with urea formaldehyde foam insulation (UFFI) or properties as defined in Item 23.6.1.3.

23.6.1.3 It will be the prerogative of the Company to reject an employee's application for Housing Assistance if the property is not an acceptable risk, with free and clear title.

23.6.2 Purchase Guarantee

23.6.2.1 The Company will provide a purchase guarantee based on an appraisal of the property's current worth by a group of up to three appraisers, to be selected by mutual agreement between Corporate Real Estate and the employee. The appraisals will be done at a time that is convenient to the employee and his/her family. Individual appraisals provided to the Company by the realtors/appraisers will not be disclosed to ensure objectivity for current and future appraisals.

23.6.2.2 The Company will not request appraisals until the employee is ready to list his or her house in the marketplace, providing this is within one year of the employee's transfer to the new work location, and the employee is prepared to abide by Subsection 23.6.2.4 and Subsection 23.6.3.1.

23.6.2.3 The employee must accept or reject the Company's Purchase Guarantee within five working days of its receipt. If the employee rejects the Purchase Guarantee, the Company has no further responsibility with regard to Housing Assistance or the Purchase Guarantee, however, the employee will still be entitled to the other relocation assistance benefits including 23.6.5.3.

23.6.2.4 If the employee wishes to participate in the Housing Assistance Plan, the employee must not list the property for sale until the Purchase Guarantee has been accepted.

23.6.3 Listing of Property

23.6.3.1 If an employee chooses to participate in the Housing Assistance Plan, by accepting the Purchase Guarantee, the employee will immediately list the property for 90 days on MLS (where such service is available) at a price not exceeding 107% of the guaranteed price.

23.6.3.2 Under the Housing Assistance Plan, the Company purchases an employee's principal residence in the former location at market value, if the employee is unable to sell it within 90 days. The house may be purchased by or turned over to the Company after 30 days if the house is vacant and the employee agrees with this action. The employee must put in writing that no real estate fees will be paid if the property is purchased by the Company.

23.6.3.3 The employee will retain the right to sell to a third party until such time as the property is purchased by or turned over to the Company for resale.

23.6.3.4 In order to assist the employee to dispose of the property expeditiously and at a fair market value, the employee must notify the Employee Relocation Administrator of all offers to purchase during the listing period. The Company may ask the employee to accept an offer which is lower than the Purchase Guarantee, whereupon the employee will be compensated for the difference between the Company's Purchase Guarantee and the amount of the offer. The employee's acceptance of any offer less than the Company's Purchase Guarantee is not mandatory and the employee will retain control of the sale of the residence throughout the listing period. All offers to purchase will be held in confidence by the Employee Relocation Administrator.

23.6.4 Sale of Property by the Company

23.6.4.1 The employee must be prepared to sign power of attorney authorizing the Company to sell property on the employee's behalf on the first day following the 90 day listing period. If the employee will be unable to vacate the premises at that time, the Employee Relocation Administrator must be notified.

23.6.4.2 The Company will pay to the employee the difference between the value of the property to the Company (Purchase Guarantee) and all existing encumbrances, including the advance of equity when the house is turned over to the Company or at the end of the 90 day listing period, whichever comes first.

23.6.4.3 When an employee applies for assistance under this procedure, he or she must declare under oath, if required by the Company, all encumbrances of any nature or kind whatsoever, including executions, chattel mortgages, and notices of conditional sales contracts which the employee is obliged to pay.

23.6.4.4 In consideration of the payment to the employee of the amount established in Subsection 23.6.4.2, the employee will complete a deed of sale of the property, conveying the same by good and marketable title, but subject to all existing encumbrances, to the Company or its nominee.

23.6.5 Advance of Equity

23.6.5.1 In order to provide the employee with funds for a deposit or down payment on a residence at the new location, an advance of up to 100% of the employee's equity (Purchase Guarantee minus encumbrances) in the employee's principal residence at the former location may be loaned to the employee by the Company.

23.6.5.2 If the employee accepts the Company purchase guarantee and sells his/her principal residence during the 90 day listing period, he/she is responsible for repaying the Advance of Equity to the Company within five working days of the closing date of the sale of the former residence. Failure to do so will activate the appropriate interest charges to the employee based on the Treasury Division's Published Interest Rate Schedule (employee housing loan five-year term) in effect on the closing date of sale. It is the employee's responsibility to repay the Advance of Equity to the Company within five days of the sale of the former residence, or within 90 days from the date of issue of the Advance, whichever comes first.

23.6.5.3 An employee who rejects the Company's Purchase Guarantee, may take advantage of the Advance of Equity option. If the former principal residence is not sold within 90 days of the date of issue, the employee must pay interest to the Company at his/her own expense commencing on the 91st day. The interest rate will be based on the Treasury Division's Published Interest Rate Schedule (employee housing loan five-year term) upon the expiration of the 90-day period. It is the employee's responsibility to repay the Advance of Equity to the Company when the former residence is sold, or within 180 days (six months) from date of issue of the Advance, whichever comes first.

23.6.6 House Evaluation and Guarantee Plan

Upon subsequent transfer within the Company, an employee will be guaranteed his/her purchase price up to a maximum of four times his/her base salary at the time of the transfer (plus or minus \$3,000 for improvements or damages to the property). This guarantee will be for a period of ten years from the date of purchase. Improvements must be verified by receipts and do not include normal painting, decorating and maintenance costs. An employee may not sell his/her house for less than the guaranteed amount without the consent of the Company.

If an employee contracts to have a house built in the new location, the Employee Relocation Administrator, Corporate Real Estate, must arrange for an appraisal of the new principal residence upon completion to establish the "guarantee amount".

If an employee who is eligible for the House Evaluation and Guarantee Plan rejects, or does not qualify for, the Company's Housing Assistance Plan, the following stipulation will apply. The employee must not sell to a third party for a price less

than the employee's original purchase price, unless the sale price is approved by the Employee Relocation Administrator, Corporate Real Estate.

The price level guaranteed by the House Evaluation and Guarantee Plan will be modified downwards in the event of a significant reduction in the level of real estate prices throughout Ontario.

23.7 Transfer of Regular Employees – Staff Reduction and Recall Procedure – PWU Agreement – Article 11

No moving expenses will be paid for an employee being recalled to a vacancy.

Recall shall include employees who are reclassified from a lower classification to their original classification as well as employees who have terminated employment and are recalled.

When regular employees who, with the approval of the region or division are occupying a house or a trailer on Company property or a site under control of the Company, become surplus and are unable to transfer under Article 11 but are laid off, they shall, if required by the Company to move, be reimbursed under Section 23.5 or 23.7, whichever is applicable, in an amount equal to the cost of a move back to the regional office or to the actual location to which the employee desires to move, whichever is the lesser.

23.8 Use of Trailers

Special Trailer Allowance: Regular employees entitled to moving expenses who are moving to sites that do not have convenient facilities for parking household trailers will be entitled to a special trailer allowance of \$150.00. Such facilities include blocking up of trailers, hook-up of water, sewage, electricity and the like.

NOTE

Employees moving to established trailer parks, either privately owned or on Company property, will not be entitled to this special allowance.

At Temporary Headquarters: Regular employees who desire to live in a trailer while working away from their residence headquarters may do so with the approval of the department head.

When moving the trailer from one temporary location to another temporary location, the employee will be allowed the cost of only public transportation unless the employee is using his/her car for Company purposes, in which case the standard kilometre rate will be allowed.

At Residence Headquarters:

1. When a regular employee lives in a trailer and moves it to the new residence headquarters by car, payment shall be:
 - (a) In addition to the authorized car kilometre rate, a sum equal to nine cents per kilometre for moving by the shortest practical route between the two residence headquarters.
 - (b) Normal living expense en route for the employee and immediate family.
 - (c) The special trailer allowance of \$150.00 will be paid.

NOTE

Incidental out-of-pocket moving expenses will not be paid.

2. When an employee lives in a trailer but does not own a car or feels that the car is not suitable to pull the trailer:
 - (a) The Company will arrange for the moving of the trailer by the most economical method.
 - (b) The employee will be responsible for arranging a new location for the trailer.
 - (c) The employee and/or family will not occupy the trailer while in transit.
 - (d) Transportation expense will be supplied in the same manner as if the employee were moving from one house to another except that incidental out-of-pocket moving expenses will not be paid.
 - (e) The special trailer allowance of \$150.00 will be paid where applicable.
3. When an employee who lives in a trailer, decides to live in a house at the new location:
 - (a) Personal effects and furniture excluding the trailer will be moved.
 - (b) The employee and family will be supplied transportation in the usual manner.
 - (c) The employee may claim a \$4,500 allowance for miscellaneous out-of-pocket expenses required by the move. The requirement for supporting receipts and taxability of the allowance will be governed by Accounting Service Procedures.
4. When an employee who lives in a house decides to live in a trailer at the new location, payment shall be either:

- (a) Moving expenses for furniture and family, but not trailer, if the employee desires the furniture shipped, or
- (b) Expenses as outlined in residence headquarters Subsections 1. and 2., if furniture is moved in the trailer.
- (c) The special trailer allowance of \$150.00 will be paid where applicable, but the disturbance allowance will not be paid.

NOTE

The Company will not accept responsibility for any damage to an employee's trailer and/or contents while in transit under any of the circumstances mentioned in Subsection 1.5.

23.9 Transfer to Non-Supervisory Vacancies: Other Positions

Where management requests an individual employee to submit his/her application to a "Non-Supervisory Vacancy: Other Positions" to a particular location, moving expenses as outlined in Subsections 23.5 and 23.7 will be paid.

The payment of moving expenses to employees who are being transferred at their request and entirely for their own accommodation will be at management's discretion.

23.10 On Retirement

A regular employee on retirement shall be reimbursed under Subsection 23.5 or 23.7, whichever is applicable, in an amount equivalent to the cost of the move to any location in Ontario in which the employee desires to settle if:

- 1. A house or trailer is occupied on Company property or a site under the Company's control; and
- 2. The Company requires the move.

23.11 Allocation of Moving Expenses

When an employee is moved from one location to another, the expenses involved shall be charged to the location to which the employee is moved except in the case of a move of a retiring employee occupying a Company-owned house. In this instance the expenses shall be charged to the residence headquarters at the time of retirement.

23.12 Return to Residence Headquarters on Permanent Transfer

An employee permanently transferred to a new residence headquarters will be reimbursed for expenses incurred in returning to his/her old residence headquarters once each week until he/she moves his/her family to the new location. The maximum period of entitlement will be four months from the date of transfer to the new residence headquarters unless extension is authorized by the appropriate director.

Entitlement shall cease when the employee moves his/her family to the new location.

All travel time associated with the return to residence headquarters will be outside the employee's scheduled hours of work.

The employee will not be entitled to claim payment for travel time.

23.13 Conditions of Return Trip

The return trips mentioned in Section 23.12, will be granted subject to the following conditions:

23.13.1 Scheduling of Trips

Return trips to residence headquarters shall be made at times when service or apparatus will not be jeopardized thereby except in case of emergency such as illness in the family or other matters highly important to an employee.

The Company will schedule the trip to meet the needs of the majority concerned or by mutual agreement where the work of some employees is dependent on the assistance or presence of other employees.

23.13.2 Use of Company Vehicles

The round trip to residence headquarters must be made within the scheduled non-working period. It must be made in a Company vehicle whenever the services of a suitable vehicle are available.

When a suitable Company vehicle is available, employees who do not avail themselves of these facilities will not be reimbursed for transportation expenses. Those who remain at the temporary work headquarters will be treated as if they were at residence headquarters.

When transportation by Company vehicle is not provided, the equivalent of public transportation costs or the standard kilometre allowance, whichever is lesser, will be authorized by his/her supervisor for an employee who chooses to use his/her own car instead of public transportation for himself/herself alone or for carrying other employees as passengers.

23.14 Alternative to Return to Residence Headquarters

The Company will consider paying travelling costs up to a maximum of the costs to residence headquarters when an employee wishes to go to some other location for personal reasons such as to join his/her family who are vacationing.

23.15 Board and Lodging

23.15.1 General

The payment or nonpayment of board and lodging (or living-out allowance in lieu thereof) shall be predicated on separation or non-separation from the employee's Residence Headquarters as defined in Part 'A' Item 18.0.

NOTE

No free board and lodging shall be given to employees while they are located in their residence headquarters except where camp facilities are provided.

When Applicable: Board and lodging allowance is only applicable when the employee is absent from residence headquarters for more than one month.

For periods of time up to one month, the employee is entitled to submit an expense report for actual expense incurred.

23.15.2 Rate of Allowance

The board and lodging allowance shall be \$45.00 per day.

Statutory Holidays and Vacation: Board and lodging will be allowed for statutory holidays.

During annual vacation period, lodging expenses only will be allowed, whenever it is necessary for the employee to retain this lodging for use after vacation, and approval has been obtained from the department head.

NOTE

If, under certain circumstances and local conditions, the standard rate is considered inadequate, and it would result in undue hardship to the employee, a higher weekly limit, commensurate with existing conditions, may be set with the approval of the vice-president or the general manager concerned. In this case, the request must be supported by vouchers.

23.15.3 Absence from Residence Headquarters

Board and lodging shall be supplied without charge if the employee is living in Company-operated quarters.

Employees are eligible to claim \$20.00 in compensation for laundry and long distance telephone calls home when away from their normal headquarters for three consecutive days or more in a week, in addition to actual expenses claimed or any board and lodging allowance received due to a change in residence headquarters in accordance with 23.16.

23.16 Change of Headquarters

23.16.1 Regular Employees – Householders

A regular employee shall be paid expenses up to a maximum period of four months as follows:

Actual expenses for up to one month from the date of actual transfer to the new location, and thereafter the standard board and lodging allowance until the time the household is moved to the new location.

NOTE

Such an employee must be a householder and entitled to the payment of expenses as outlined in Part 'A' Item 23.0.

Extension of Allowance: Payment of any allowance beyond the period of four months must be authorized by the appropriate director.

Eligible Employees: Payment of this allowance will be made only to an employee who indicates an intention to move to the new location.

If the employee fails to move within the time limit, any cash allowance paid in lieu of board allowance shall be recovered by the Company unless the reasons for not moving were beyond the control of the employee and/or the employee actually did board in the new location during this period.

23.16.2 Non-householders

An employee who is a non-householder shall be permitted actual expenses to a maximum of up to one month, after which no allowance will be made.

23.17 Apprentices

If transferred to a new headquarters upon completion of the training course, the apprentice shall receive allowances as provided for a non-householder in Section 23.16.2.

24.0 PROMOTIONS

Promotion means a change to a new job which carries a higher maximum salary schedule rate (base rate) or a higher salary grade resulting from an increase in job demands and responsibilities within a job. (See also definition in Article 10.1.5 (C))

24.1 Part D (Weekly Salaried)

24.1.1 Promotion Rule

Object: The object of the rule is to ensure, on promotion, an increase in salary to compensate for an increase in job demands and responsibilities.

1. On promotion, the employee's rate is to be set at the lowest progression step (in the salary grade for the job) which will give a minimum increase of three percent (3%) above the employee's existing basic rate.
2. In the case of single grade promotions (or the equivalent under Pay Equity) the following will apply:
 - If at step 1 of the current grade, go to step 1 of the next grade.
 - If at step 2 of the current grade, go to step 1 of the next grade.
 - If at step 3 of the current grade, go to step 2 of the next grade.
3. In cases where 24.1.1(2) does not result in at least a three percent (3%) increase, a rate that reflects not less than a three percent (3%) increase from their current rate will be paid. This interim rate will continue in effect until the next anniversary date at which time the employee will resume his/her place on the current salary schedule. This rate will be the next step in the salary grade which guarantees an increase of at least one and one half percent (1.5%) from the interim rate.

NOTE

An employee who is affected by such an "off-schedule" rate will be affected only once during his/her progression to the top step of his/her job. In no case will the rate be more than the maximum rate for the job grade.

24.1.2 Payment of the Salary Grade for the Job

On promotion, the employee will be placed directly in the salary grade for the job, except in training situations under the Clerical-Technical Plan (where an employee may be advanced gradually through the appropriate training job levels to the terminal job grade). He/she will be granted the progression step required by the promotion rule, except where a higher progression step is being granted for previous experience (Subsection 24.1.5).

24.1.3 Promotion from Hourly-Paid to Weekly-Salaried Jobs

The promotion rule applies in the case of an hourly-paid employee being promoted to a weekly-salaried job.

The rule does not apply in the case of a weekly-salaried employee being promoted to an hourly job.

24.1.4 Payroll Rates in Excess of Approved Job Grades

When an employee is being paid a special rate (such as results from restructuring of jobs, retrogression, implementation of new salary plan, or salary guarantee) which exceeds the appropriate rate for the job he/she holds, he/she should on promotion:

1. Continue to be paid the special rate, or
2. Be paid the progression step resulting from application of the promotion rule to the appropriate progression step in the approved grade of his/her former job, whichever is higher.

24.1.5 Previous Experience

Where an employee being promoted has had previous applicable experience in a higher level job but was demoted for reasons other than cause or inability, a higher progression step than is indicated by the promotion rule may be chosen by the Company.

24.1.6 Relief Situations

In relief situations where less than the normal duties are being performed and a lower salary grade has been established for the relief period, the promotion rule will be used to establish the appropriate progression step or off-schedule rate in the lower salary grade.

24.1.7 Progression Following Promotion

Progression dates shall be calculated from the date of appointment or promotion date to the position. Subsequent salary adjustments shall occur at 12-month intervals from the appointment or promotion date.

25.0 JOINT COMMITTEES

25.1 Joint Pension Committee

1. **Scope:** To monitor the administration and the financial status of the Pension Plan covering all plan members and to recommend changes as set out below:
2. **Personnel:** The “Joint Pension Committee” shall meet at least twice a year or as requested by either party and shall consist of the following members:
 - three PWU members
 - three Company management members

Each party will have the right to have a reasonable number of resource personnel attend the meeting.

The chair will rotate between Hydro One Inc. and PWU, one meeting each.

Every effort will be made to reach unanimous decisions. In the event that a unanimous decision cannot be reached, decisions will be by a vote of a majority of members representing both PWU and the Company.

3. **Function:** In an advisory capacity with access to the necessary information: (This is limited in that it does not apply in respect of information as to the service, salary, pension benefits or other personal information related to any specific person without that person's prior consent.)

Pensions

- (a) Monitor Hydro One Inc.'s administration of the Pension Plan as established under associated regulations and rules, and applicable legislation.
- (b) Make recommendations respecting the administration of the Pension Plan.
- (c) Promote awareness and understanding of the Pension Plan on the part of Plan members.
- (d) Review the Company's approved annual financial statements and investment performance.
- (e) Review the Company's approved Actuarial Valuations of the Pension Plan and discuss the need for assumption changes.
- (f) Identify potential benefit changes and discuss cost and other implications. Committee recommendations for benefit level changes will be subject to ratification of the respective parent bodies.

Life Insurance

- (a) Review the financial position, premiums and taxable benefits of the life insurance provisions of the Plan.
- (b) Identify potential benefit changes and discuss cost and other implications. Committee recommendations for benefit level changes will be subject to ratification of the respective parent bodies.

25.2 Joint Health and Safety Consultation

The parties will consult regularly on corporate level employee health and safety matters. The following two joint committees will be established to facilitate this consultation.

25.2.1 Joint Health and Safety Policy Committee

The Joint Health and Safety Policy Committee provides a forum for the parties to consult regularly on corporate level employee health and safety matters.

1. Goal

To participate in the formation of health and safety strategy and policy by providing information and opinion from the Union to the Company's executive on employee health and safety.

2. Personnel

Two Management Representatives

Two Power Workers' Union Representatives

Two Society Representatives

The Chair will rotate between Management, Society and Power Workers' Union

3. Function

(a) Identify problems and issues of Company significance which have not been resolved in the Joint Health and Safety Working Committee.

(b) Review proposed initiatives and advise the corporate executive.

(c) Provide direction/assignment/scope of project initiatives to the working committee or adhoc committees for execution.

(d) Evaluate existing policy and advise the corporate executive on recommended changes. This function applies particularly to safety rules and work protection code.

(e) Develop Joint Policies on Health and Safety

i) Authority to Stop Work

(f) The committee will meet two times per year or as mutually agreed.

25.2.2 Joint Health and Safety Working Committee

The Joint Health and Safety Working Committee represent Management, Society and PWU members within Hydro One.

1. Goal

(a) Provide recommendations to assist the Health and Safety Division in the development, promotion, implementation and evaluation of Hydro One employee health and safety policy and programs.

2. Personnel

Three Management Representatives
Three Power Worker Representatives
Three Society Representatives
The Chair will rotate between Management, Society and Power Workers Union.

3. Function

- (a) Participate in the identification of problems and issues of Company significance in employee health and safety policy and practice.
- (b) Participate in the development, promotion and implementation of Company health and safety programs.
- (c) Study, develop and make recommendations for changes to the corporate safety rules and work protection code. This function can be delegated to an ad hoc group.
- (d) The committee will normally attempt to resolve issues of mutual interest before seeking intervention by senior management or the Joint Committee on Health and Safety.
- (e) The committee will meet quarterly or as mutually agreed.

25.3 Joint Trades Classification Committee

A joint committee shall be established on the following basis:

- 1. **Name:** Joint Trades Classification Committee.
- 2. **Personnel:** Maximum of three appointees from each party.
- 3. **Function:** To study and formulate descriptions and duties of all hourly-rated and weekly-rated trade classifications on wage schedules 24, 25, 27, 31, and 32, presently not included in Mid-Term Agreement MT-4, but not to produce a job evaluation or ranking system.

The committee will commence its work within one month after the settling of the 1972 Collective Agreement and shall meet regularly until the task is completed.

- 4. **Limits of Authority:** The committee shall work within the recommendations, preamble and occupational format agreed to previously.

The results of this committee's activity shall be subject to acceptance and ratification by the Union and the Company at the negotiating level.

5. A copy of all occupational definitions will be made available to each employee through his/her contact supervisor.
6. The Joint Trades Classification Committee shall ensure that duties for trades jobs are defined. Their focus will be on the development of documents describing job duties, and will not consider or establish compensation for these jobs. There is a need for direct line management involvement to determine current and future duties. The Committee should also work towards developing a system which will allow definitions/documents to be produced quickly and easily to facilitate responsiveness to changing needs.

25.4 Joint Diversity Committee

1. **Objectives:** (a) To provide a joint forum for work on Corporate Employment Equity, Human Rights and Diversity policies, and/or associated Corporate issues. (b) To participate in making and bringing forward recommendations and providing advice to the Vice-President, Corporate Human Resources on Corporate policies and plans impacting on equity in the workplace and Corporate issues arising from the Employment Systems Review. (c) To participate in making and bringing forward recommendations to the PWU Executive on equity issues in the workplace which fall within their jurisdiction.
2. **Personnel:** The committee will be structured to provide two Company representatives and two Union representatives. Each party is entitled to one alternate.
3. **Function:**
 - 3.1 Meet and exchange information regularly to ensure that the committee is informed of progress on initiatives undertaken by the Corporation and the Union. Each party will identify and bring forward emerging Corporate issues for discussion.
 - 3.2 The committee will work together to formulate recommendations by:
 - (a) Working to meet the work program deliverables as identified below within required timelines.
 - (b) Discussing options and their impacts in meeting the work program deliverables (including obtaining input through consultative forums – see below).
 - (c) Attempting to agree on recommendations acceptable to all parties and for delivery to the Vice-President, Human Resources and/or the PWU Executive where appropriate.

3.3 Where agreement cannot be achieved, each party will communicate expeditiously their position to the Vice-President, Human Resources before Corporate decisions are made.

4. **Work Program** – to be established annually.

5. **Responsibilities:**

5.1 **Consultative Forum** – To provide input to the committee on work program deliverables as follows:

- (a) Management members will ensure input is received from line management and non-represented staff members.
- (b) The Union members will ensure input is received from their constituencies.
- (c) The committee will also seek input from advocacy groups and designated group members on issues as required.

5.2 **Support Resources** – Committee to determine needs (administrative, research, preparation, etc.) and arrange as required. Treatment will be as per the collective agreement.

5.3 Management is responsible for time and expenses, except for union staff time, associated with the work program of this team.

5.4 At the end of each year, the parties will review the Terms of Reference and make recommendations for the coming year.

25.5 **EHB/WSIB/LTD Committee**

The Committee would be comprised of:

- Power Workers' Union
- Health Services & Rehabilitation
- Compensation and Benefits Department

A. To review existing and future LTD applications to ensure they are receiving the required medical attention and the possibility of returning them to the workforce.

Terms of Reference:

- 1.0 Develop a questionnaire for employees not in receipt of CPP disability.
- 2.0 Review returned questionnaires to determine if any employees can be placed on immediate vocational rehabilitation.

- 3.0 Determine if an independent medical evaluation is required before attempting vocational rehabilitation.
 - 4.0 Review existing procedure for LTD applications.
 - 5.0 Develop a roster of physicians to use in the process.
 - 6.0 Forward recommendations for process improvements to Director, Compensation and Benefits/Chief Physician.
- B. Review/Update – To meet, on a regular basis (e.g. semi-annually), to discuss and/or resolve issues associated with the following processes:
- (a) Long Term Disability
 - (b) WSIB
 - (c) Sick Leave
 - (d) Drug Formulary

25.6 Joint Employee and Family Assistance Committee

1. **Goal:** Provide recommendations to assist the Company and the Union in the development, implementation and evaluation of employee and family assistance policy and programs.
2. **Personnel:**
 - (a) Chair: The Chair shall rotate on a yearly basis.
 - (b) Members:
 - Representative from the Company
 - Two (2) PWU representatives and one staff advisor.
 - (c) Secretary: The secretary shall be supplied by the Company.
3. **Function:**
 - 3.1 Participate in the identification of problems and issues of significance in employee and family assistance policy and practices.
 - 3.2 Participate in the development, promotion and implementation of employee and family assistance programs throughout the province.
 - 3.3 On an ongoing basis study, develop and make recommendations for change to the Company employee and family assistance program. This function can be delegated to the sub-committee by mutual agreement.
 - 3.4 The committee will normally attempt to resolve issues of mutual interest before seeking intervention by the Senior Joint Union/ Management Committee.

25.7 Controller/Dispatcher Consultative Committee

The Controller/Dispatcher Consultative Committee, established in 1954, shall continue to act under the following terms:

1. Personnel:

Maximum of three appointees from each party.

2. Function:

To act as a liaison between the Company and the employees in the field for the purpose of exchanging information relating to changing conditions as they affect controller/dispatchers.

To discuss mutual operating problems of a general nature which arise from time to time.

Any program developed by the Company to establish standards of qualifications for operating positions will be a matter of Union advisement as to progress and discussion.

The committee may be convened at approximately three-month intervals to deal with agenda submitted by either the Union or the Company and acceptable to both parties as being within the scope of the committee's function.

3. Limits of Authority:

It is understood that this committee will meet to discuss general operating problems of common interest to the Union and the Company and shall not have bargaining power or authority to amend existing policy, or interpret collective agreements. Any recommendations which arise as a result of discussions shall be presented separately to the Union and to the Company by their respective members.

26.0 DISTRIBUTION OF AGREEMENT AND WAGE SCHEDULES

This Agreement shall be printed as soon as practicable after the date of signing and made available by the Company to the Union in sufficient quantities for distribution to its membership.

27.0 TIME CHARGES – UNION ACTIVITIES

27.1 Time Charges and Expenses – Union Representatives

Time off and expenses for Union officers will be granted in accordance with Mid-Term Agreement MT-3.

27.2 Time Charges for Employees On Union Business

When the time of employees on Union business is payable by the Union, such time shall be charged at normal rates of pay. The normal payroll burden without the administration charge of ten percent (10%) will be applicable only for Union releases in excess of five consecutive days.

27.3 Roles and Responsibilities of Chief Stewards

As Hydro One Inc. evolves into the new regulated and competitive marketplaces, it is important that the Company leverages its position by defining as clearly as possible Principles to anchor the relationship between the elected PWU representatives and Management.

- (i.) Mutual Recognition of Respective Roles and Responsibilities
 - A recognition that the Chief Stewards provide an important role in the success of the Company.
 - A recognition that Chief Stewards are Hydro One employees as well as PWU representatives.
 - As time away from the job increases, loss of skills may be an issue. As such, the Company will provide reasonable re-training to replenish these skills.
 - It is recognized that there will be differences between the Parties. In these cases, respective opinions can be expressed, however, they should be communicated in a professional manner.
- (ii.) Chief Stewards are accountable for their time.
 - It is understood that Chief Stewards will be required to be away from their Company job.
 - Time away from the job will be dependent upon the Chief Stewards' specific issues, number of committees, size of membership, geographical factors, etc.
 - Chief Stewards have an identified supervisor. As in any employee-supervisory relationships, the Chief Steward will advise their supervisor as to what activities they will be involved in, in generic terms (some issues are confidential). They will have vacation days approved and sick days reported.
 - Chief Stewards should schedule their PWU activities with consideration for their Company job. Any unallocated time will be spent performing their Company job.
- (iii.) Chief Stewards play an important role in Communication.
 - Where feasible, joint communications are encouraged for initiatives that affect PWU employees.
 - Joint training is encouraged in roll-out initiatives that impact PWU employees (e.g. Gainsharing, collective bargaining roll-out).

- Consistent messages are important.
- There will be a need to review these principles.

28.0 EYE PROTECTION

Approved eye protection shall be supplied to individual prescription to all employees who normally wear glasses and are required to wear eye protection for an appreciable amount of time in the performance of their duties.

29.0 PERSONAL TOOLS

29.1 General

Employees in trade categories and designated weekly-salaried categories will provide at their own expense, the ordinary hand tools of the trade. These tools are listed in the appropriate occupational definition/job document and must be of at least industrial quality, which permits employees to perform their work safely, efficiently and to the standard ordinarily demanded in any given trade. (Owing to the marked differences in the nature of work performed by employees who are classified in the same trade category, it is unreasonable to expect a tradesperson to possess or have on the job, every tool listed for his/her trade. Learners and Improvers must acquire any of the tools listed as and when his/her work demands their use. Employees are encouraged to buy tools which carry a lifetime guarantee.) Tools which are required for equipment of special types, which are peculiar to certain locations as well as tools that fall in the class of shop equipment, will be supplied and maintained by the Company. These, and similar types of tools, have been purposely omitted from the lists.

29.2 Tool Replacement/Upgrading

Each employee, as described in, 29.1 will be allowed 8% of the personal tool list retail price calculation per calendar year for tool replacement or upgrading (metric tools included as upgrades) based on his own tool list as defined in the Occupational Definition. A minimum allowance of \$50.00 per year for each employee in each classification is available. For those entitled to the minimum allowance of \$50.00, the unused portion for one year may be carried forward to the following year to a maximum of \$50.00.

To qualify for any reimbursement receipts must be accumulated and submitted for amounts in excess of \$50.00. For amounts of less than \$50.00 these receipts should be submitted at the end of the year.

29.3 Loss by Fire or Theft

Personal tools which are stolen, are destroyed or damaged by fire to an extent which renders them unusable, will be replaced by the Company. These losses must be incurred in the exercise of Company business and on Company property, except where

they occur on or at non-Company locations in the exercise of Company business. Small or inconsequential losses would be recovered through 29.2.

30.0 SPECIAL CLOTHING FOR EMPLOYEES

30.1 General Policy Regarding Work Clothing

Except where provided by the Company in accordance with this Collective Agreement, employees must provide at their own expense suitable clothing for the performance of their regular duties. In general, clothing must be suitable for the safe and efficient performance of the work but need not be uniform in appearance.

So far as is consistent with standard stores' policy, the Company will purchase certain types of work clothing in bulk for resale on the most favourable terms possible to employees requiring them in connection with Company work.

30.2 Special Clothing That May Be Provided at Company Expense

Subject to certain conditions outlined herein, special clothing may be obtained at the expense of the Company for issuance to employees under the following conditions:

30.2.1 Where Uniform Appearance is Required

Where uniform appearance is required by the Company as in the case of certain receptionists, guides, messengers, drivers, and security guards uniforms will be provided.

30.2.2 For Work Outside of the Employee's Regular Routine Duties

A limited number of rainproof coats and hats may be obtained and kept available at construction headquarters, attended stations, etc., for persons who normally work indoors but who are occasionally required to work out of doors under adverse weather conditions, as for example when working during emergencies, operating switches, cleaning racks, etc.

Clothing supplied at stations should be limited to one or two coats and hats, depending upon the number of employees.

30.2.3 For Normal Work Which Must be Performed Occasionally, Under Extreme Conditions

Hip or knee length rubber boots and weatherproof coats and hats may be obtained and issued temporarily to construction workers, maintenance workers, and labourers when required to work in extremely wet locations or under adverse weather conditions.

One or two rainproof coats and hats, depending upon the number of employees involved, may be provided for each line, forestry and maintenance truck or gang for

use in emergencies when workers could not be reasonably expected to have protective clothing available at all times.

30.2.4 For Work Involving Exposure to Materials that are Injurious to Health and Particularly Destructive of Clothing

Rubber boots, aprons and gloves of an approved material may be provided for employees when handling acids for batteries, cleaning transformer coils or for other work which is similarly destructive of clothing.

Aprons, gloves and sleeves made of plastic, plastic-coated or other approved material may be provided for employees who are required to handle creosote, creosoted poles or timber as a protection against burns or damage to clothing.

Protective clothing such as coveralls, gloves and rubber boots may be provided for temporary issuance to employees for use when applying herbicides.

Because of the fire hazard in welding and the destructive nature of the work, welders' aprons, armlets and gauntlets may be provided.

30.2.5 To Promote Safety

Safety headgear, eye protection, rubber gloves (electrical), and similar items which are designed exclusively for the safety of employees and the wearing of which is made obligatory on certain types of work, will be provided by the Company.

Special footwear will be provided for the safety of workers when required to work near forebays, sluices, etc., under icy, slippery or otherwise hazardous conditions.

Safety Footwear and Clothing:

- I Effective January 1, 2014, employees who are required by the Company to wear safety footwear (CSA Approved ESR)/ clothing will be reimbursed for actual expenses as follows:
 - (A) For those employees required to regularly wear climbing spurs or who are regularly required to climb steel structures as part of their normal duties – up to a maximum of \$400.00 per year.
 - (B) For those employees who choose or are required to wear CSA approved ESR protective footwear – up to a maximum of \$275.00 per year.
 - (C) For those employees who choose not to wear approved ESR protective footwear – \$150.00 per year.
 - (D) In order to be eligible for reimbursement employees who qualify must submit appropriate supporting documentation/receipts.

- II Employees who are not required to wear protective footwear:
Employees who purchase safety footwear will be reimbursed thirty-three and one-third percent (33-1/3%) of the actual cost up to a maximum reimbursement of \$20.00 per pair subject to the approval of the appropriate manager or supervisor.

NOTE

Temporary employees will be reimbursed for a maximum of one pair in each six-month period.

A limit of two pairs of safety shoes or boots per person will be subsidized in a calendar year.

These actual cost maximums include applicable taxes.

- III Refer to Mid-Term Agreement MT-61 for payments associated with Flame and Arc Resistant Clothing.

30.2.6 Special Conditions

Requests for items of clothing not mentioned but which might be reasonably supplied under the conditions set forth herein will be considered, each case on its own merits.

30.3 Issuance, Care of, and Responsibility for Clothing Provided by the Company

In order that the use obtained from clothing purchased by the Company may justify the expenditure, the following shall be carefully observed:

1. Except in isolated cases, special clothing must not be issued to any one employee for exclusive use but must be kept available for any employee who may require it for Company purposes mentioned herein.
2. When no longer required on the job, clothing must be promptly returned to local headquarters, station or truck where it will be readily available when required.
3. All clothing furnished by the Company will remain the property of the Company and must be clearly and prominently marked for easy identification.
4. Where loss or destruction of Company clothing issued to an employee occurs as a result of carelessness on the part of the employee, the employee will be required to make good such loss.

30.4 Part B Employees (Maintenance Trades)

30.4.1 Issue of Gloves to Tradespersons

The Company will issue gloves to regional maintainer – lines, regional maintainer – forestry, SMD riggers, mechanical maintenance and building maintenance crews and all associated personnel regularly working with these crews, subject to the following:

1. The employee will be required to purchase the first pair of gloves, whether summer or winter type, providing he/she has not already been participating.
2. The issue of new gloves will be controlled by the supervisor.
3. A pair of worn-out gloves may be exchanged for a new pair.
4. The Union will exercise its influence to promote economy in the operation of this plan.

30.4.2 Uniforms

The Company shall supply uniforms, where they are required to be worn, at no cost to the employee.

30.4.3 Stocking of Overalls and Associated Smocks

The Company will stock bib-type overalls, coveralls and associated smocks in Central Stores which will be available for purchase by employees on the basis of a cash sale.

30.4.4 Work Clothing

Automotive Trades and Painters: The Company will pay for laundry service to clean coveralls. Responsibility for ensuring proper use of the privilege will rest with the Union.

The plan is as follows:

1. Coveralls will be provided by the tradespersons.
2. One pair of coveralls per employee per week will be laundered.
3. The trades covered by this service are:
 - (a) Automotive Trades – auto, truck diesel or industrial equipment mechanics, body and metal mechanics, tire serviceworkers, painters, radiator repairworkers, battery rebuilders, lubricators, undercoaters, steam cleaners, washers.
 - (b) Trade Group III – painters.

Forestry Spray Crews: Forestry spray crews shall , during the period of spraying operations, be with supplied laundered coveralls or other suitable clothing on a

weekly basis or more frequently as may be required. Arrangements shall also be made to provide adequate washing facilities.

30.4.4.1 Laundering and/or Supplying Clothing

In situations other than those covered in the preceding subsections, when the supervisor in charge of a work crew deems a specific job dirty for the particular trade function, he/she shall either:

1. Authorize laundering of the employee's work clothing, or
2. Issue coveralls or other suitable clothing during the period in which this job is being performed.

30.4.4.2 Coveralls – Central Services Division

The provisions of this item supersede the conditions as noted in Item 30.4.4.1 and applies only to employees, paid from Wage Schedules 25 and 27, who form part of the Central Services Division and are located at the Hydro One Inc. Kipling Complex.

The Company agrees to supply and launder two (2) pairs of coveralls per week for each of the above-noted employees. The employee must exercise reasonable care in the use of clothing so supplied.

It is recognized that reasonable but limited quantity and size range of spare coveralls will be kept available for emergencies.

31.0 PURCHASING PRIVILEGES – SURPLUS EQUIPMENT STORES

Employees shall have purchasing privileges at Surplus Equipment and Material Stores to the same limit as extended to the general public.

32.0 RETURN OF COMPANY PROPERTY

It is agreed that employees whose employment terminates with the Company shall be responsible for the return of any Company property issued to them during the term of their employment. Failure to return such property shall result in the Company deducting its current value from any monies owing to the employees.

33.0 TIME CHANGE – SHIFT WORKERS

When the clocks are changed due to daylight saving time, the following principles will apply:

1. Employees who are scheduled to work during the affected hours will work a shift which is either shortened or extended by one hour.

2. Payment for the shortened or extended shift will not be calculated on the basis of actual hours worked, rather will be based on the number of hours normally worked (eight or twelve).

34.0 REST PERIODS

Each employee shall be entitled to a 10 minute rest period in the first half and second half of each scheduled work day at a time designated by the Company.

35.0 BI-WEEKLY PAY DAYS

1. Salaries and wages of all employees throughout the Company covered by this Agreement shall be ***once every two weeks***. This payment will be by direct deposit to one account designated by the employee in a Canadian financial institution with a Canadian Payment Association (CPA) serviceability code of 1 or 2. (CPA serviceability code definitions in effect June 5, 1991 or subsequent code numbers providing equivalent accessibility). The Company is responsible for the cost of depositing these funds to the employee's account.

The implementation of direct deposit pay will be phased in for PWU members. It is the responsibility of the employee to inform the Company of any changes to the designated account 14 days in advance of the payment date. Any errors in employee payment that result from employee provision of incorrect account information or the late provision of changed account information are solely the responsibility of the employee.

2. Existing employees who were paid the equivalent of one week's base pay during the transition from weekly pay to weekly direct deposit pay will have the amount of this one week payment deducted from their final payment of salaries and wages from the Company (i.e., termination, retirement, etc.)

36.0 BANKING OF REDUCED HOURS OF WORK DAYS AND VACATION DAYS TO BE UTILIZED IMMEDIATELY PRIOR TO RETIREMENT

1. Employees who have earned time off under Part A Item 16.0 (Reduced Hours of Work for Employees Whose Normal Hours of Work are 40 Per Week) shall be eligible to bank up to 6.5 days per year to be utilized immediately prior to retirement.
2. Employees who are eligible for 25 days or greater vacation shall be eligible to bank up to 6.5 days per year to be utilized immediately prior to retirement.
3. ***Employees who have not been able to utilize vacation entitlements, as per Part A Item 6.5.1.2, or who have not been paid out for such***

vacation, may bank up to five (5) days to be utilized immediately prior to retirement.

4. The sum of days banked under items 1 and 2 **and 3** above shall not exceed 6.5 days per year. Employees are eligible to bank a maximum of 30 weeks (150 days).
5. Employees must provide a minimum four months notice to schedule these dates. The employee will retire once these days have been utilized.
6. These days are not eligible for cash payout except in circumstances beyond the employee's control (e.g. LTD, Death, W.S.I.B.).

37.0 SELF-FUNDED SABBATICALS

Definition

“Self-funded sabbaticals” means an approved arrangement where an employee works regularly scheduled hours while receiving eighty percent (80%) of his/her base salary for each of four years. In the fifth year, the employee is granted a leave of absence for one year, funded by the accumulated deferred pay.

Approvals

Hydro One will approve an employee's application for a self funded sabbatical where it determines that this arrangement will benefit the business and can be accommodated without adversely impacting the viability of his/her work unit.

Terms and Conditions of Self-funded Sabbaticals

The Salary holdback (i.e. twenty percent for four years) will be kept in a special account and interest will be paid annually at an appropriate rate fixed by Hydro One.

During the leave of absence (i.e. the fifth year):

- The employee may not be declared surplus.
- The employee is responsible for his/her health and dental benefits and shall be given the option of continuing coverage under the Hydro One plan through pre-payment.
- The employee's entitlement to group life, living benefit and spousal life insurance benefits shall continue pursuant to Part A, Item 14.0.
- Hydro One shall pay the sum accumulated in the trust to the participating employee in a lump sum or in regular installments.

As a condition of approving a self-funded sabbatical arrangement, Hydro One may require the participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed the length of the leave (i.e. maximum one year).

Treatment of Employee Upon Return from Leave

Upon completion of the leave the employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full (i.e. 100%) base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service, as the case may be.

Upon completion of the leave, where the employee's pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.

Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.

In the event Article 11 is triggered during or upon completion of the leave, subject to the other provisions in this Article, the participating employee will be redeployed in accordance with that Article.

PART B
MAINTENANCE TRADES

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PART B
MAINTENANCE TRADES
Specific Matters of Agreement

1.0 WAGES

Wage rates shall be in accordance with the wage schedules which are part of this Agreement.

2.0 STANDBY, SERVICE DUTY AND ON CALL

Employees may be placed, as required, outside of their regular working hours on any one of three types of special duty, depending on the nature of the anticipated work and the extent to which their freedom must be restricted, as follows:

2.1 Standby

Employees on standby shall remain at a specified point from which they shall be ready to proceed to their work location immediately upon receipt of instructions. Their freedom is restricted to the same degree as if they were being held at their regular work headquarters pending issuance of work instructions, and they are considered for all intents and purposes to be already on the job.

Any employee of the Company may be required to perform this type of service, for which payment will be made at the rate appropriate to the particular situation.

2.2 Service Duty

The work of employees on service duty is generally but not necessarily always confined to that of maintaining service to customers of areas, maintaining transmission circuits.

There are two types of service duty, namely, telephone answering service and trouble call service.

Telephone Answering Service: Telephone answering service applies to an employee who is required to remain available outside of normal office hours for the specific purpose of answering telephone calls in connection with customer service trouble, and to report this trouble to the appropriately delegated person(s). Where this type of service is required, it is allocated on a weekly basis and for each particular location must be equitably rotated among all suitably qualified members of the line staff, exclusive of non-working supervisors, except in cases when such personnel are not available. Under these circumstances, it shall be the Company's prerogative to detail any employees for service as required. Except in cases of emergency an employee on telephone answering service duty shall not leave his/her telephone to perform other work.

Trouble Call Service: Trouble call service is that performed by an employee who is required to hold himself/herself readily available within a reasonable length of time outside of normally scheduled hours for dispatch to trouble clearing work generally. When required, one or more employees shall be delegated per area to trouble call service, on a weekly or weekend basis. Work so delegated in areas will be equitably rotated among all suitably qualified members of the line staff, exclusive of non-working supervisors. In addition to those delegated to trouble call service duty on a weekly basis, it may be found desirable from time to time to augment the number on trouble call service by additional delegation for periods of one day or more. When such action is necessary, employees will only be required to accept such duty against their wishes if sufficient volunteers cannot be obtained.

Special Hours of Work Provision (Lines):

Between May 1st and October 31st the employees referred to above in the Trouble Call Service provision may, with seven (7) days notice, have their hours of work established as follows:

- I. 12:00 hours to 20:00 hours Monday to Friday or,
- II. by mutual local agreement, 10:00 hours to 20:00 hours Monday to Thursday.

Such hours will be equitably rotated among all qualified employees, as per their on-call schedule.

These employees will not be required to work more than one (1) rotation of these hours in a four (4) week period.

These employees will eat on the job in the minimum amount of time. Such time will not be deducted from the employees' pay.

These employees will receive two (2) times the payment for service duty as described in Part 'B', Item 2.2.

These employees may be assigned work other than the trouble clearing work they normally perform. All hours worked outside of the 12:00 hours to 20:00 hours or the 10:00 hours to 20:00 hours will be compensated at two (2) times their base hourly rate.

Payment for Service Duty: The rate of pay for service duty of both types to be computed one half (1/2) hour (*one (1) hour effective March 31, 2016*) at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour (*one and one quarter (1.25) hour effective March 31, 2016*) at the employee's basic hourly rate per day. This rate includes payment for the use of the employee's telephone. An employee required to report for work while on trouble call, service duty shall be paid for his/her working

time in accordance with the standard regulations governing overtime work, including the regulation governing work performed on a “short-call” basis.

2.3 On Call

On call is the term used to cover trouble call service performed by station maintenance personnel, Customer Service Representatives I, Customer Service Representatives, Cable Crew Trades Staff, and hourly rated mechanics and electricians in the Operation and Maintenance Section of the Workplace Services Division who, because of their limited numbers and the resultant increased frequency with which they are required to perform service duty, are allowed up to a maximum of two hours between the time they are called and the time when they report for work. In all other respects, including rates of payment, on-call and trouble call service are identical.

Subject to safe application, volunteers from Station Maintenance will be requested prior to the mandatory assignment of on call. Hourly rated mechanics and electricians in the Operation and Maintenance Section of the Workplace Services Division and Cable Crew Trades Staff will be assigned to on-call duty only if sufficient volunteers cannot be obtained. On-call duty by Customer Service Representatives I and Customer Service Representatives will be on a purely voluntary, individual basis.

2.4 When an employee is on service duty or on call a paging device will be supplied where such service is available and experience in that area has proven it will provide a reliable service.

3.0 TRAVELLING TIME TO AND FROM THE JOB

Hourly-rated employees shall travel from their headquarters to and from the job on Company time. The word “headquarters” shall be for the purpose of this item “where the employee normally reports for work”.

4.0 HEADQUARTERS

Headquarters, as referred to herein, means the building or point designated by the Company at which the employees are expected to report for work or to assemble for preparation for leaving for work at outside points. Employees moving from point to point, as in the case of regional maintainers – lines and forestry, may have temporary headquarters established at some hotel or boarding place or some garage at which the truck is kept and at which the employees are to assemble.

5.0 WELDERS

Welders who hold welder “A” certificates issued by the Company and who hold an identification card issued by the Ontario Ministry of Consumer and Commercial Relations and who are required to perform first class work shall be classified as welder “A” in group 01 of wage schedule for tradespersons. Welders who do not meet

the requirements of welder “A” shall be classified as welder “B” in group 02 of wage schedule for tradespersons.

6.0 MARINE VESSELS

During normal scheduled hours, if an employee is called upon to operate a boat 7.92 m (26 feet) in length or more, he/she shall be paid the Boat Operator rate for 8 hours.

7.0 CARPENTER SPECIAL

Carpenters performing duties requiring a higher skill than those normally required of a journeyman carpenter such as cabinet making, model making, or the fabrication of scroll cases, will be classified as journeyman “AA” of trade group 02.

8.0 TRUCK DRIVERS’ CLASSIFICATION

Class I – Operates any vehicle or combination of vehicle and trailer with a Gross Vehicle Weight (GVW) of greater than 28,000 pounds (12,700 kg)

Class II – Operates any vehicle or combination of vehicle and trailer with a GVW of greater than 9,000 pounds (4,082 kg) but not greater than 28,000 pounds (12,700 kg)

NOTE

Any Class II vehicle equipped with a hydraulic radial boom derrick or hydraulically operated articulated or telescopic aerial devices will be classified as Class I.

Class III – Operates any vehicle or combination of vehicle and trailer with a GVW of greater than 5,000 pounds (2,268 kg) but not greater than 9,000 pounds (4,082 kg).

NOTE

Any Class III vehicle with a snowplow installed on it will be classified as Class II.

8.1 Truck Driver Classification Vacancies

In filling class I truck driver vacancies, the most senior class II truck driver in that region will be given the first opportunity.

In filling class II truck driver vacancies, the most senior class III truck driver in that area will be given the first opportunity.

Replacement of a vehicle by one of a different class or modifications due to the addition or removal of equipment which affects the truck classification shall not be deemed to create a vacancy or a surplus. When such replacement requires a change in the classification of the driver, the driver position shall be filled as follows:

1. When the position is upgraded, the most senior truck driver in the next lower classification in the area will be given the first opportunity, on a probationary basis, to reach an acceptable level of performance.
2. When the position is downgraded, the most junior truck driver in the classification affected, in the area, will be downgraded.

9.0 JOURNEYPERSON "AA"

A journeyperson tradesperson who is required to work at another trade requiring skills of a level equal to or greater than his/her own trade shall be entitled to journeyperson 'AA' rating for a minimum of eight hours.

If a journeyperson tradesperson receives the journeyperson 'AA' rate for any part of a day during 40 days or more in any calendar year, he/she will be appointed and paid as a journeyperson 'AA' for that entire calendar year.

If the journeyperson 'AA' rate is paid for more than 50% of a calendar year to the members of a crew, for a specific trade, one of the members of the crew will be appointed and paid as a journeyperson 'AA' for that entire calendar year.

Journeyperson "AA" will not be applicable to Regional Maintainer classifications.

10.0 APPRENTICES

Upon completion of their learner apprenticeship training, apprentices shall be entitled to all the benefits afforded a regular employee as outlined in Part 'A', Section 23.0.

11.0 CONTRACT MONITORING

Employees required to monitor the quantity, quality and/or safety of contractors work shall be paid five percent (5%) above the journeyperson rate of his/her trade. This rate will not be applicable to Regional Maintainer classifications.

12.0 SUPERVISORY RESPONSIBILITIES

Many factors are involved in trades supervision. The depth of involvement in these factors defines the level of supervision required. There are three levels of regular supervision within union jurisdiction. These are: union trades supervisor

– level 3, union trades supervisor – level 2 and union trades supervisor – level 1. The responsibilities associated with each of these levels are set out in the “Trades Responsibilities and Supervisory Criteria” dated July 15, 1968, which is an appendix to this Agreement.

12.1 Tradesperson Responsibilities

A tradesperson is required to exercise judgment and control over his/her own actions so that the assigned work may be performed safely, efficiently, and effectively, and with consideration of its effect on others.

In a work situation, a journeyman will be responsible only for his/her own work and the work and training of one apprentice or helper. However, for the purposes of training, a journeyman may be required to teach trade skills of a specific task to more than one apprentice or journeyman at one time. During such a teaching situation, the journeyman is responsible, only, for the demonstration of trade skills and not for the work of the apprentices or journeyman involved.

Related to the above, a “helper” is a person of lower classification than the tradesperson he/she is assisting; and “apprentice” is a person of lower classification than journeyman progression in a trade.

12.2 Supervisory Responsibilities of a Union Trades Supervisor – Level 3

A union trades supervisor – level 3 supervises an assigned crew on specific jobs and does so for periods up to five days without face-to-face contact with his/her supervisor who will carry out the higher responsibilities of the job. Less frequent contact requires that the union trades supervisor – level 3 be paid at the appropriate supervisor rate. He/she performs physical work activities. This classification is paid at a rate which is eight percent (8%) above the journeyman rate of his/her trade or eight percent (8%) above the journeyman rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyman “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.3 Supervisory Responsibilities of a Union Trades Supervisor – Level 2

A union trades supervisor – level 2 supervises staff on a continuing basis to carry out a given work program. He/she performs physical work activities. This classification is paid at a rate which is 17 percent (17%) above the journeyman rate of his/her trade or 17 percent (17%) above the journeyman rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyperson “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.4 Supervisory Responsibilities of a Union Trades Supervisor – Level 1

A union trades supervisor – level 1 performs the complete supervisory responsibilities over a trade staff. He/she performs physical work activities. This classification is paid at a rate which is 22 percent (22%) above the journeyperson rate of his/her trade or 22 percent (22%) above the journeyperson rate of the highest trade supervised, whichever is the greater.

For the purposes of this item, if either the supervisor or the employees being supervised are receiving a Journeyperson “AA” rate, this rate will be used in determining the appropriate Union Trades Supervisor rate.

12.5 Supervisory Responsibilities of a Management Supervisor

A management supervisor’s responsibilities are of a supervisory nature as described in the Trades Responsibilities and Supervisory Criteria. Normally, they must not take the place of skilled workers. In the event that an emergency work condition arises, skilled help should be called in. However, where suitable skilled help is not available at the required time, supervisors are expected to perform whatever duties are necessary. The foregoing is not intended to prohibit the supervisor from using the tools of the trade for training purposes.

13.0 PAYMENT FOR TEMPORARY SUPERVISION

Overall supervision of a crew is provided by a supervisor and/or union trades supervisor – level 3 carrying out the appropriate responsibilities set out in 12.2 to 12.5. However, a crew may be assigned a task without a regular supervisor in attendance, in which case a temporary supervisor may be appointed. In such instances, any responsibility for supervision must be assigned, it cannot be assumed. When so assigned, the level of supervision to be performed and paid must be designated in accordance with Section 12.0, above.

Employees shall not be held accountable for more than journeyperson responsibilities that have not been assigned.

Where no regular supervisor is on a job the following shall apply:

1. Where a journeyperson is responsible for one helper or one apprentice, there shall be no payment for supervision.
2. Where two journeypersons are working together and each is responsible for his/her own work, there shall be no payment for supervision. However, where

a journeyperson is held responsible for the work of another tradesperson, other than a helper, he/she shall be appointed and paid as a lead hand or union trades supervisor – level 3. A lead hand shall be paid for assigned responsibilities in excess of two hours per day, in which case he/she shall be paid five percent (5%) above the journeyperson rate of his/her trade, or five percent (5%) above the journeyperson rate of the highest trade supervised, whichever is greater, for a minimum of four hours, or the actual hours worked as a lead hand, whichever is greater. Lead hand responsibilities are as appended to the “Trades Responsibilities and Supervisory Criteria” document. Lead Hand rate will not be applicable to Regional Maintainer classifications.

3. Where a group of employees are working at a location on jobs which are independent of one another and planned by a supervisor so that no coordination of their activities is required, additional supervision will not be required.

Where the job is being performed by three or more employees, one of them shall be appointed and paid as a union trades supervisor – level 3 or level 2. In such cases if he/she supervises for more than two hours in a day he/she shall be paid the supervisor rate for a minimum of four hours or the actual hours he/she supervises, whichever is greater.

13.1 Schedule of Payment for Relief Supervision in an Established Position

The following schedule shows the rate to be paid for employees relieving a supervisor. The column figures represent the percentage to be paid above the basic journeyperson rate.

Classification Performed			
Regular Classification	Level 3 Supervisor	Level 2 Union or Management Supervisor	Level 1 Union or Management Supervisor
Journeyperson	8	17	22
Level 3 Supervisor		17	22
Level 2 Supervisor		17	22
Level 1 Supervisor			22

13.2 Payment for Supervision – Motorized Forestry Spray Operation

In the Company’s motorized spraying operations, each work group, clearly separated, will be supervised by a qualified forestry tradesperson.

In all cases of such supervision, the concerned qualified forestry tradesperson shall be paid at least eight percent (8%) more than his/her existing rate, or of the rate of the highest tradesperson supervised, whichever is the greater.

13.3 Service Truck Supervision

1. When more than two employees constitute the work crew on a service truck, the person in charge shall be deemed to be providing supervision and shall be temporarily reclassified to the appropriate supervisory rate (union trades supervisor – level 3 or working supervisor).

2. Payment of a supervisory rate (union trades supervisor – level 3 or working supervisor) while in charge of a service truck will be based on the following:

If the total daily hours where supervision is provided are:

(a) Less than one hour – no payment at supervisory rate.

(b) One hour to four hours – four hours at the appropriate rate.

(c) More than four hours – eight hours at the appropriate supervisory rate.

14.0 ADVERSE WEATHER

When in the Company's opinion the weather is unduly adverse, employees shall not normally be required to work outside and the following shall apply:

14.1 Regular Employees

Regular employees shall within normal scheduled hours be provided with inside work.

14.2 Regular-Seasonal Employees

Employees who have attained regular-seasonal status in accordance with Part 'A', Item 2.0, and continue to be employed on a seasonal basis shall be entitled to a half day's pay per day or pay for actual hours worked or held whichever is the greater, providing the employee reports for work.

14.3 Temporary Employees

Two hours' pay will be allowed when a temporary employee reports and is prepared to remain for two hours at his/her place of work and is prevented from working due to unduly adverse weather.

If a temporary employee is required to remain at his/her place of work longer than two hours, he/she shall be paid for all the time he/she is required to stay on the job.

15.0 POWERLINE GROUND ASSISTANTS, HANDYPERSONS AND LABOURERS PROHIBITED FROM CLIMBING

Powerline Ground Assistants, handypersons and labourers are prohibited from climbing poles, towers or structures used for transmitting electrical energy for the purpose of doing work which is properly the work of tradespersons.

This will not prohibit numbering poles or painting structures, which does not involve exposure to live equipment hazard.

16.0 MOBILE EQUIPMENT

The Company undertakes to continue the investigation of the problems connected with suitable mobile equipment for the transportation of employees and undertakes to get employees from headquarters to work and back without exposing them to undue physical danger and with reasonable protection from the weather.

17.0 REGIONAL MAINTAINER – ELECTRICAL TRAINING COURSE

Electrical tradespersons who are not specifically required to take the Regional Maintainer – Electrical Training Course may make application to attend and participate in the Conference and Training Facility portion of this course.

18.0 MEAL PROVISIONS

18.1 Conditions Governing Allowance for Meals

Recognizing the fact that employees are required to provide their own meals (except as in 18.2) the following conditions will apply:

1. The Company shall not require an employee to carry or provide more than one meal on a day when work is performed.
2. Wherever possible, supervisors shall notify employees who do not normally carry a lunch of the necessity to carry a lunch the following day.
3. If an employee is sent away from headquarters in an emergency without sufficient notice for him/her to provide and take his/her own lunch, the Company will pay the cost of the employee's noon day meal.
4. If an employee is required to continue working beyond a normal day, the Company will provide the employee's meal after two hours or more and every four hours thereafter while the employee continues working.
5. If an employee is required to work extended periods of overtime, Monday to Friday inclusive, the Company shall pay the cost of the employee's meal on approximately a four-hour interval basis.

6. If an employee is called out to work extended periods of overtime on Saturday, Sunday or statutory holidays without forewarning, the Company shall pay the cost of the employee's meal on approximately a four-hour interval basis. If forewarned, the employee shall carry or provide the first meal and the Company shall pay the cost of any further meals on approximately a four-hour interval basis.
7. When overtime has been scheduled in advance, a meal period will be allowed and no time will be paid for this period. When the overtime is not scheduled in advance, no time will be deducted if employees eat at the job site in a minimum of time.
8. In the conditions outlined in 3, 4, 5, and 6, the Company will either bring the meal to the employee or release him/her from duty long enough to secure and eat it. Where necessary, the Company will provide transportation for this purpose.
9. It is recognized that between the hours of midnight and normal starting time, it may not be feasible for the Company to provide a hot meal and the employee may not feel the need for one. In such cases, sandwiches and hot soup or a hot beverage shall be considered as fulfilling the requirement of a meal.

18.2 Winter Meal Provisions

In general, the winter months, for the purpose of this clause, shall cover the period of December 1st to March 31st for the areas south of the French River and the period November 1st to April 30th for areas north of the French River. However, if unseasonable weather is experienced any day during the two-week period immediately prior to the opening dates or subsequent to the closing dates, the supervisor in charge may, at his/her discretion, treat such days in the same manner as though they were included in the prescribed period.

During the winter months, if employees are required to work outdoors or in unheated buildings, subject to 3. hereunder, the Company will:

1. Provide means for carrying or storing the employee's lunches in some warm place and also provide where necessary, transportation for reaching some warm and suitable place for eating lunch. Such time involved in transportation both ways to be absorbed by the Company, thereby allowing the full meal period upon arrival, or
2. Supply or pay for a hot meal and provide transportation. The meal period's duration will be between the times of departure and re-arrival at the point of work and thus any time involved in transportation, both ways, is absorbed by the employee. Should the meal period be extended beyond its normal duration, any such excess will be absorbed by the employee by working

equivalent overtime at straight time rates which will result in a total of normal daily hours of work and pay. This shall not preclude the providing of a meal when time involved is in excess of the normal meal period.

3. In some thinly-settled localities, there may be no warm place for storing or eating lunches, and no place where hot meals may be prepared within a reasonable distance from the point of work. Such conditions are beyond the Company's control and necessarily form part of the working conditions in that locality. In such cases, lunches must be carried but employees will eat on the job in a minimum period of time. Such time shall not be deducted and the conditions listed above do not apply.
4. Where it is mutually agreeable, employees will carry their lunch and will eat on the job in a minimum period of time. Where employees work in a group, the views of a minimum of 50% of the work group shall prevail and trigger this provision.

18.3 Extension of Lunch Periods

Where lunch periods are restricted to half an hour and when it has been demonstrated that it has been difficult for employees to get their lunch and return to the job within one-half hour, the Company may exercise its prerogative in extending the lunch period to a maximum of one hour, with the necessary adjustments to the working hours of the day.

19.0 RELIEF WORK & ACTING IN VACANCIES

19.1 Acting in Vacancies

All acting positions are to be limited to 90 days unless extensions are agreed to by the Company and the Chief Steward of the Union. Pending the arrival of the successful applicant and his/her assuming of the normal duties, the acting incumbent who is performing the normal duties and responsibilities of an "acting" position shall receive the rate for the position.

19.2 Assignment to a Higher-rated Classification

An employee who is presently in the top step of his/her job when temporarily stepped up to work in a higher-rated classification, shall receive the top rate of that classification.

20.0 HOURS OF WORK

20.1 Hourly-Rated Employees

1. The normal work week for the Company's hourly-rated trades employees shall be 40 hours per week consisting of five (5) days of eight (8) hours (not before 6:00 a.m. and not later than 6:00 p.m.), Monday to Friday inclusive.

2. A change to established hours of work within the core hours (6:00 a.m. to 6:00 p.m) shall be a matter for discussion between the Union (Chief Steward) and the Company. When changes in hours of work are contemplated the preference of 70% of affected staff in the classification(s) will be considered to be the preference of that classification(s). Where the work of classifications is interdependent (e.g., rehabilitation work, electrical, mechanical, civil), the preference of 70% of the employees in the interdependent classifications will be deemed to be the preference.

However, if in the Company's opinion the desired hours of work of the affected classifications cannot be accommodated then the Company will provide the Union (Chief Steward) with written rationale for such a decision.

3. The normal work week for T&W-Field Mechanics shall be 40 hours per week consisting of five (5) days of eight (8) hours (not before 6:00 a.m. and no later than 8:00 p.m.), Monday to Friday inclusive. The start times for these employees may be adjusted within the window by Management with seven (7) days' notice to the affected individuals. Such adjusted start times will be equitably rotated among all employees in the classification at the work site.

The Company may assign employees on a voluntary basis to work five (5) eight (8) hour days Monday to Friday ending no later than 12:00 a.m. These employees will be eligible for shift differential (Item 21.3 afternoon shift). An employee who is selected to an advertised vacancy for these hours will be deemed to have volunteered.

4. Excepting for shift work, all other work outside of the normally scheduled hours shall be considered overtime and paid for at the appropriate premium rates.
5. Switching Agents shall work between the hours of 0:00 and 8:00 Monday to Friday. Employees shall be eligible for shift differential (Item 21.3 night shift).

20.2 Weekly-Rated Employees

The normal work week for janitors and vehicle services attendants shall be 40 hours.

21.0 SHIFT WORK

Shift work may be established under the following conditions:

1. **Rehabilitation work:** Shift work for normal day workers may be established for major rehabilitation work (minimum of 10 working days confined to one unit) on frequency changers with rate capacity of 10,000 kV.A or more.
2. During abnormal or emergency conditions.

3. Conditions other than in 1 and 2 above require agreement by the appropriate Chief Steward.
4. The procedures for establishing shift work in accordance with 1, 2, and 3 above are as follows:
 - (a) Staff shall be assigned to the work for which the shift was established. Staff assigned to other work for a period of greater than one hour per shift shall be paid at two times the employee's normal base rate for the period worked in excess of one hour in that shift.
 - (b) Such rescheduling is not to be considered for the performing of ordinary routine maintenance except as described in Part 'B' Item 21.0 (3).
 - (c) In the case of abnormal or emergency conditions, three days' advance notice and, in the case of major rehabilitation work and other conditions as agreed to in Part 'B' Item 21.0 (3), seven days' advance notice of the commencement date shall be given to the employee by his/her supervisor. Shift shall commence on the day specified or within the following two days.

In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

If the appropriate advance notice of the commencement date has not been given, premium time shall be paid for all work outside the normal scheduled hours until three or seven days have elapsed after notice has been given. If shifts do not commence on the specified days, nor within the following two days, actual commencement shall be considered a change in normal scheduled hours and subject to all the principles of establishing shift work.

- (d) Three-shift work for normal day workers shall be established for a minimum period of three days or more on an eight-hour shift basis commencing on any day in the week.
- (e) The appropriate premium rates shall be paid for work in excess of eight hours on a daily shift basis, Monday to Friday, inclusive.

The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.

- (f) Subject to the same notice and conditions for three-shift work, two-shift work may be introduced on either an eight hour or ten hour basis.

Shift work on a ten hour basis shall be established in accordance with Part 'B' Item 21.2.

- (g) Change in shift conforming with the preceding regulations shall be deemed to be a change in normal scheduled hours.
- (h) Shift work will be equitably rotated amongst qualified staff with each shift being rotated on a weekly or bi-weekly basis.
- (i) Prior to implementation of shift work, a schedule shall be posted and a copy shall be given to the appropriate steward stating the group, the reason for shift work and the estimated length of the work period involved.
- (j) Employees on shift work shall have a paid meal period and shall eat their meal during the shift hours as conditions permit.

21.1 Shift Work Central Maintenance Shop Pickering

Shift work may be established under the following conditions:

1.
 - (a) For short duration shifts (maximum three (3) consecutive weeks). No more than four (4) rotations onto these shifts may be worked by any individual in one (1) calendar year.
 - (b) During abnormal or emergency conditions.
 - (c) Shift work for normal day workers may be established (minimum of 15 working days) confined to major project type work.
 - (d) For other work as agreed to by the appropriate Union Chief Steward.
2. The procedures for establishing shift work in accordance with the above are as follows:
 - (a) Staff shall be assigned to the work for which the shift was established. Staff assigned to other work for a period of greater than one hour per shift shall be paid at two times the employee's normal base rate for the period worked in excess of one hour in that shift. Premium pay shall not apply where such assigned other work is as a result of equipment breakdown, inspection delays, customer delays or material delays. Premium pay does not apply to situations where the work that was established for shift comes to a completion within the shift.
 - (b) Such rescheduling is not to be considered for the performing of ordinary routine maintenance except as described in Part 'B', Item 21.1.1 (d).
 - (c) In the case of conditions as described in Part 'B' – Item 21.1.1 (a and b), three (3) days' advance notice will be given. In all other conditions seven days' advance notice of the commencement date shall be given to

the employees by his/her supervisor. Shifts shall commence on the day specified or within the following two days. In the case of illness which would result in a staff shortage, three (3) days' advance notice will be given when placing an employee on shift. If the appropriate advance notice of the commencement date has not been given, premium time shall be paid for all work outside the normal scheduled hours until seven days have elapsed after notice has been given. If shifts do not commence on the specified days nor within the following two days, actual commencement shall be considered a change in normal scheduled hours and subject to all the principles of establishing shift work.

- (d) Three-shift work for normal day workers shall be established for a minimum period of three days or more on an eight-hour shift basis commencing on any day in the week.
- (e) The appropriate premium rates shall be paid for work in excess of eight hours on a daily shift basis, Monday to Friday, inclusive.
- (f) The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.
- (g) Management will determine the number of hours to be covered by shift work.

Subject to the same notice and conditions for three-shift work, two-shift work may be introduced on either an eight hour basis. The preference of 70% of the affected staff for a particular shift schedule in the classification(s) will be considered to be the preference of the classification(s). The vote will be administered by the local Chief Steward.

Shift work on a ten hour basis shall be established in accordance with Part 'B' Item 21.2.

- (h) Change in shift conforming with the preceding regulations shall be deemed to be a change in normal scheduled hours.
- (i) Shift work will be equitably rotated amongst qualified staff with each shift being rotated on a weekly or bi-weekly basis.
- (j) Prior to implementation of shift work, a schedule shall be posted and a copy shall be given to the appropriate steward stating the group, the reason for shift work and the estimated length of the work period involved.
- (k) Employees on shift work shall have a paid meal period and shall eat their meal during the shift hours as conditions permit.

21.2 Ten-Hour Shift Provisions Maintenance Trades Staff

1. Applies to Maintenance Trades Staff assigned to shift work under Part 'B' Items 21.0 (1), 21.0 (2), 21.0 (3) and 21.1 of the Collective Agreement.
2. Ten hour shifts shall be implemented when it is mutually agreeable to Hydro One and 70% of affected staff. Where Hydro One deems there are reasons not to implement ten hour shifts, these reasons will be provided to the Union (Chief Steward).
3. The normal hours of work for non-time balanced ten hour shifts are 40 per pay week. Staff involved shall work ten hours per shift Monday, Tuesday, Wednesday and Thursday at straight time (banked two hours per day for total eight hours) which may be performed within the following shift windows:

1st shift – 06:00 hrs to 18:00 hrs

2nd shift – 14:00 hrs to 02:00 hrs

Shift Differential

1st shift – no shift differential

2nd shift – 64 cents per hour

Part 'B' Item 21.3 shall not apply to ten hour shifts.

4. The appropriate premium rates shall be paid for work in excess of ten hours per shift on a daily basis Monday to Thursday inclusive.

If it is necessary for employees to work on the Friday, it will be paid at one and one-half times the employee's basic rate for the first two hours (***one hour effective March 31, 2016***) worked and two times the employee's basic rate for all additional hours worked.

The appropriate premium rates shall be paid for all scheduled work on Saturdays, Sundays and statutory holidays.

5. Ten hour shift provisions shall not apply to work weeks containing one or more statutory holidays.
6. For staff assigned to shift work under Part 'B' Item 21.0 (1), 21.0 (2) and 21.0 (3) all other provisions Part 'B' Item 21.0 except Part B, Item 21.0(1), 21.0(2) and 21.0(3) all other provisions of Part B, Item 21.0 except 21.0(4)(d), and 21.0(4)(e) shall apply to ten hour shifts.
7. For staff assigned to shift work under Part B, Item 21.1 all other provisions of Part B, Item 21.1 except 21.1(2)(d), 21.1(2)(e) and 21.1(2)(f) shall apply to ten hour shifts.

8. (a) The following items will be credited for pay purposes on an hour-for-hour basis. In the application of undernoted items – 1, 2, 3 and 4, a reference under the appropriate contract provision to “days” entitlement will mean eight (8) hours. Therefore a ten (10) hour shift will constitute one and a quarter (1.25) days deducted from credits.
- (1) Vacation
 - (2) Floating Holiday
 - (3) Sick Leave
 - (4) Leave of Absence
 - (5) Travelling Time Outside Normal Working Hours
 - (6) Payment for Temporary Supervision
 - (7) Time Charges and Expenses for employee Union Representatives
- (b) When an employee is scheduled to work a ten (10) hour shift and one of the undernoted conditions occurs, a “day” will be considered to be 10 hours:
- (1) Jury Duty
 - (2) Funerals
 - (3) Moving Day

21.3 Differential for Shift Work Tradespersons and Stationary Engineers

Shift differentials shall apply to employees required to work on a three-shift schedule or a two-shift schedule. The first part of a three-shift or a two-shift schedule shall begin at normal starting time.

A shift differential of 70 cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.

A shift differential of 1 dollar per hour shall be paid to employees who are scheduled to work between the hours of 0000 to 0800.

For Regular part-time and Temporary part-time employees, shift differential is not applicable when the shift starts and ends between the hours of 0700 and 1800.

The wage schedule rates for the following classifications are deemed to include full payment for the normal hours and days of work as shown in their schedule and shift differentials shall not apply:

Janitor ‘AA’

Janitor ‘A’

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment of shift work,

the premium rate shall be computed on the standard basic rate, excluding shift differential [see Subsection 21.0(4)(e)].

22.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

22.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours and is therefore, subject to compensation at premium rates.

22.2 Minimum Payments

All overtime performed, or reported for due to lack of notice of cancellation, shall result in a minimum payment of the greater of four hours at straight time pay or the actual time worked at the appropriate premium rate, except in the following circumstances:

1. Overtime arranged during normal working hours and worked as an extension before and/or after the employee's normal hours of work requires no minimum payment.
2. When short call-outs are repeated within one hour of the completion of a previous call-out for which the minimum was paid, no additional minimum payment is required.
3. For overtime call-outs occurring less than two hours before the commencement of normal starting time, the minimum will not apply and the appropriate premium rate will be paid continuously from call-out time until normal starting time.

22.3 Premium Payments

Premium payment for overtime which does not include shift work shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours (***one hour effective March 31, 2016***) after normal quitting time, Monday to Friday inclusive.
2. Two times the employee's basic rate shall be paid for:

All work performed outside of the first two clock hours (*one hour effective March 31, 2016*) after normal quitting time, Monday to Friday inclusive.

All work performed on Saturday, Sunday and statutory holidays.

3. When less than 48 hours' notice has been provided and an extra trip to the work location has been made to work overtime, time shall be counted from the time the employee leaves his/her home until he/she returns.

22.3.1 Overtime Cancellation Payments

All overtime cancelled within 48 hours of its scheduled commencement shall result in a cancellation payment of two hours at straight time rate except in the following circumstances:

1. Overtime arranged during normal scheduled hours as an extension to those normal scheduled hours requires no cancellation payments.
2. Overtime arranged as an extension before the normal hours of work requires no cancellation payment if cancelled with more than 16 hours' notice prior to its commencement.

22.4 Special Provisions Concerning Overtime

1. Because an employee was required to work overtime or because he/she lost time in changing shifts, he/she shall not be prevented from working his/her total number of normal daily hours in any normal scheduled day of work. If the employee cannot be supplied with the work required to make up the eight hours' work in that day, his/her pay shall be adjusted to provide a minimum of eight hours' work.
2. If an employee who has worked overtime is physically capable and the gang of which he/she is ordinarily a member is at work, he/she shall not be deprived of the opportunity of working his/her normal scheduled hours in addition to the overtime he/she may have worked.
3. An employee who has accumulated overtime hours shall receive this, in earnings, calculated at the appropriate premium rate and cannot be required to take time off in lieu of payment.
4. Employees who have worked overtime qualify for a rest period based on the following:
 1. An employee who is required to work continuously for more than 16 hours, or an employee who accumulates 16 hours of working time in any 24-hour period, shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should the employee be required to continue working beyond the above 16-hour work periods, the employee shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest period, and his/her right to continue work at straight time will be governed by Section 22.4(2), above.

2. An employee on day work who is required to work 4 but less than 6 accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to a 4 hour rest period.
3. An employee on day work who is required to work 6 or greater accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to an 8 hour rest period.
4. If the rest period in 2 and 3 above extends into the employee's normal scheduled hours of work, he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. Should the employee be required to continue working during normal scheduled hours, the employee shall be paid at two times his/her normal basic rate until the rest period is granted.
5. In computing overtime for hourly-rated employees on shift work, excluding stationary engineers, 4th class, one and one-half times the employee's basic rate shall be paid for all work performed during the two-hour period following the scheduled shift and two times the employee's basic rate shall be paid for all work performed during the 14-hour period prior to the start of the scheduled shift, Monday to Friday inclusive. All work performed on Saturday, Sunday and statutory holidays shall be paid at two times the employee's basic rate.
6. Overtime Weekly-Rated: The following trades weekly-rated classifications shall receive overtime in accordance with the "premium payments" section of Part B Item 22.3 for all work in excess of the indicated hours:
 - (a) In excess of eight hours in a day; janitorial staff and vehicle services attendants.

22.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

- (a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed during the first two clock hours after the normal quitting time of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours after the classification's normal quitting time.

and/or

- (b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours worked in a day. Two times the employee's basic rate for all work performed in excess of two hours in a day.

and/or

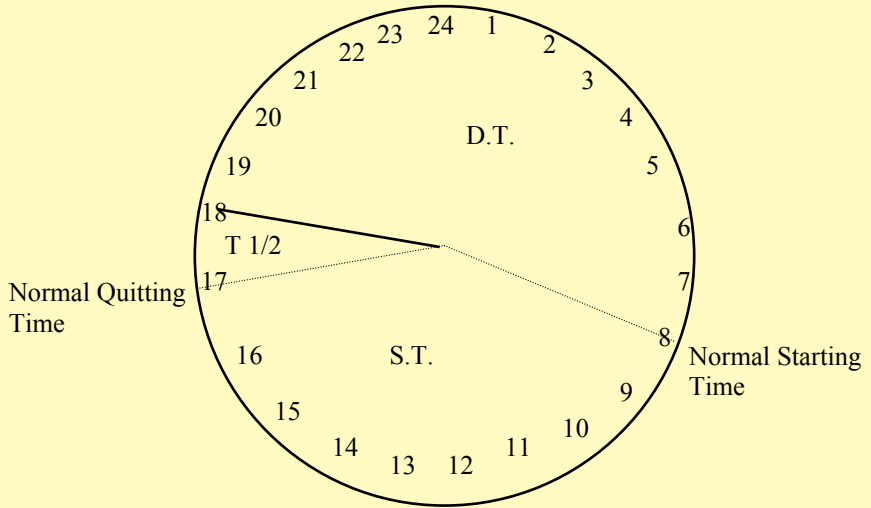
- (c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

22.6 Equivalent Time Off Without Pay

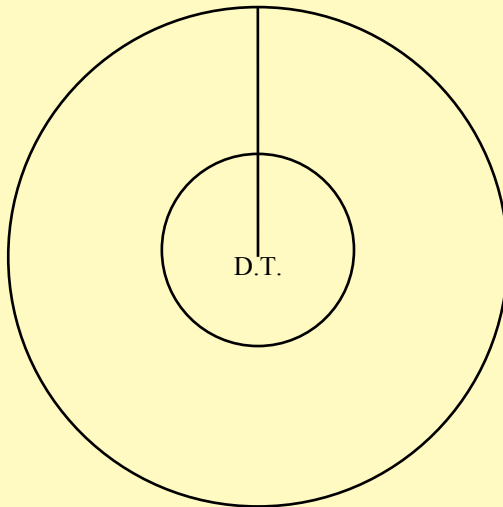
See Part 'A' Section 10.2

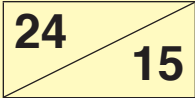
OVERTIME TABLE - HOURLY RATED EMPLOYEES

Monday to Friday



Saturday, Sunday, & Statutory Holiday





HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES
- Dollars per Hour

<u>Grade</u>	<u>TRADE</u>	<u>Step 0</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>UTS</u>	<u>SUPV</u>
							<u>LVL 3</u>	<u>LEVEL 2</u>
							<u>Step 7</u>	<u>Step 8</u>
01	Cameraperson Litho Press Operator I		41.61	42.71	43.80		47.30	
04	Micrographic Worker II Film Quality Inspector Photocompositor I, Press Operator			35.29	37.50		40.50	43.88

Advancement through trade groups is not automatic.

All progressions shall be in accordance with Item 3 of Part A.

RULES OF APPLICATION

- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant.
- (2) Step 1 does not apply to the classification of Camerapersons.

Hydro One Labour Relations
 Effective: April 1-2015

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

Grade (Group)	TRADE	LEARNER		IMPROVER			J'PER Step 6	J'PER AA Step 7	UTS LVL 3 Step 8	UTS LVL 3A Step 9
		Step 0	Step 1	Step 2	Step 3	Step 4				
01	Customer Service Representative 'A'; Electrician Fitter Mechanic; Instrument Mechanic; Powerline Maintainer Machinist; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A'	24.68	26.73	28.79	30.85	32.90	37.02	41.13	43.19	44.42
02	Cable Splicer (2), Switching Agent Building Mechanic Carpenter; Crane Operator (Licensed) Forester Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinsmith; Rigger; Welder Underground Cable Stakeout Person; Power Equipment Component Refinisher (2)	23.87	25.86	27.85	29.84	32.62	36.04	39.78	41.77	42.96
03	Asst Mechanic Crane Operator (licensed) 8 tons and under 20 tons Customer Service Representative Mechanic C (1) Meter Repairer; Painter Tool & Equipment Repair Person (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician I	23.29	25.76	28.23	32.80	38.05	38.46	J'PER AA 39.95	UTS LVL 3 41.09	UTS LVL 3A 41.54
04	Assistant Power Maintenance Crane Operator (Licensed) under 8 Maintenance worker; Meter Reader Asst Cable Splicer (3) Station Maintenance & Inspection Meter Reader/Data Collector	23.33	25.80	28.27	36.34	37.47		J'PER AA 38.16	UTS LVL 3 39.25	
05	Handyperson (4)		23.34	29.89	32.96		J'PER AA 34.61	UTS LVL 3 35.60		
06	Powerline Ground Assistant		29.92	31.61	33.24		34.90	35.90		
07	Powerline Maintainer Special (5)		38.05							
08	Labourer (6)		23.34	26.95	29.94	32.34	35.03			
09	Summer Student (7)		17.79	19.27						
10	Meter Reader B		22.64	25.93						
11	Supervising Meter Reader Supervising Meter Reader/Data		41.79							

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until Journeyman level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyman level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide Land Exterminator Class 01 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Data Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linepersons who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

Hydro One Labour Relations
Effective: April 1-2015

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - WORKING SUPERVISORS
 - Dollars per Hour

SCHEDULE 25		GROUP 1	GROUP 2
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	01	48.12	50.18
02	02	46.54	48.53
03	03	44.52	46.42
03	3A	45.00	46.92
04	04	42.52	44.33
05	05	38.56	40.21

SCHEDULE 27		GROUP 1	GROUP 2
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	11	50.80	52.97
02	12	46.55	48.54
03	13	44.52	46.42
04	14	42.49	44.31
05	15	36.26	37.81

SCHEDULE 28		GROUP 1	GROUP 2
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	21	51.97	54.19
02	22	48.87	50.96

NOTES:

These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 25, 27 and 28 and for union members who relieve in Trades Supervisory position.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Hydro One Labour Relations
 Effective: April 1-2015

HYDRO ONE
 POWER WORKERS' UNION COLLECTIVE AGREEMENT
 WAGE SCHEDULE 27 - MOTIVE POWER TRADES
 - Dollars per Hour

Grade (Group)	TRADE	LEARNER				IMPROVER			J'PER	J'PER AA	UTS LVL 3
		Step 0	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
01	Regional Field Mechanic; Transport & Work Equipment	26.05	28.22	30.39	32.57	34.74	36.91	39.08	41.25	43.42	46.89
07	Autobody Fabricator Hydraulics & Automotive Machinist	24.68	26.73	28.79	30.85	32.90	34.96	37.02	39.79	41.13	44.42
02	Regional Shop Mechanic Transport Mechanic Work Equipment Mechanic Auto Body Repairer (1)	23.87	25.86	27.85	29.84	32.63	35.02	37.40	39.79		42.97
03	Automotive Painter (2)	23.29	25.76	28.23	32.80	38.05					41.09
06	Fuel and Electrical Systems Mechanic	23.29	25.76	28.23	32.80	38.05					41.09
04	Accessories Installer	23.43	25.86	28.29	36.32						39.23
05	Service Station Attendant	23.15	25.50	30.99							33.47

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyperson level is reached.
- (3) For Trade Group 6 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyperson level is reached.

Hydro One Labour Relations
 Effective: April 1-2015

HYDRO ONE
 POWER WORKERS' UNION COLLECTIVE AGREEMENT
 WAGE SCHEDULE 28 - REGIONAL MAINTAINERS
 - Dollars per Hour

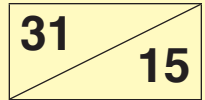
Grade (Group)	TRADE	LEARNER			IMPROVER			REGIONAL MAINTAINER 2		REG MAIN 1	UTS LVL 3
		Step 0	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
01	Regional Maintainer-Lines	24.68	26.73	28.79	30.85	32.90	37.02	41.13	42.78	44.42	47.97
	Regional Maintainer - Electrical										
	Regional Maintainer - Mechanical										
	Regional Maintainer - Cable Splicer										
	Customer Service Representative - I										
	Regional Maintainer-Power										
	Equipment Electrician										
02	Regional Maintainer - Civil	23.87	25.86	27.85	29.84	32.62	36.04	39.78	41.77		45.11
	Regional Maintainer - Forestry										

NOTES:

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
 Effective: April 1-2015



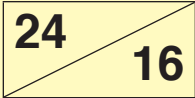
**HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
WEEKLY DOLLARS**

GRADE	TITLE	STEP 0	STEP 1	STEP 2	STEP 3	UTS LVL 3 STEP 4	SUPV LEVEL 2 STEP 5
16	Janitor 'A'		1,132.69	1,237.91		1,336.94	1,448.35

This schedule is applicable to a 40-hour work week.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
Effective: April 1-2015



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES
- Dollars per Hour

Grade	TRADE	Step 0	Step 1	Step 2	Step 3	Step 4	UTS	SUPV
							LVL 3	LEVEL 2
							Step 7	Step 8
01	Cameraperson Litho Press Operator I		42.03	43.13	44.24		47.78	
04	Micrographic Worker II Film Quality Inspector Photocompositor I, Press Operator			35.65	37.88		40.91	44.32

Advancement through trade groups is not automatic.

All progressions shall be in accordance with Item 3 of Part A.

RULES OF APPLICATION

- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant.
- (2) Step 1 does not apply to the classification of Camerapersons.

Hydro One Labour Relations
 Effective: April 1-2016

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

Grade (Group)	TRADE	LEARNER		IMPROVER			J'PER Step 6	J'PER AA Step 7	UTS LVL 3 Step 8	UTS LVL 3A Step 9	
		Step 0	Step 1	Step 2	Step 3	Step 4					Step 5
01	Customer Service Representative 'A'; Electrician Fitter Mechanic; Instrument Mechanic; Powerline Maintainer Machinist; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A'	24.92	27.00	29.08	31.16	33.23	37.39	41.54	43.62	44.86	
02	Cable Splicer (2), Switching Agent Building Mechanic Carpenter; Crane Operator (Licensed) Forester Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinsmith; Rigger; Welder Underground Cable Stakeout Person; Power Equipment Component Refinisher (2)	24.11	26.12	28.13	30.14	32.95	36.40	40.18	42.19	43.39	
03	Asst Mechanic Crane Operator (licensed) 8 tons and under 20 tons Customer Service Representative Mechanic C (1) Meter Repairer; Painter Tool & Equipment Repair Person (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician I	23.52	26.02	28.52	33.13	38.43	38.84		J'PER AA 40.35	UTS LVL 3 41.50	UTS LVL 3A 41.95
04	Assistant Power Maintenance Crane Operator (Licensed) under 8 Maintenance worker; Meter Reader Asst Cable Splicer (3) Station Maintenance & Inspection Meter Reader/Data Collector	23.56	26.06	28.55	36.70	37.84			J'PER AA 38.54	UTS LVL 3 39.64	
05	Handyperson (4)		23.57	30.19	33.29			J'PER AA 34.95	UTS LVL 3 35.95		
06	Powerline Ground Assistant		30.21	31.93	33.57			35.25	36.26		
07	Powerline Maintainer Special (5)		38.43								
08	Labourer (6)		23.57	27.22	30.24	32.66	35.38				
09	Summer Student (7)		17.97	19.46							
10	Meter Reader B		22.86	26.19							
11	Supervising Meter Reader Supervising Meter Reader/Data		42.21								

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until Journeyman level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyman level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide Land Exterminator Class 01 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Data Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linepersons who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

Hydro One Labour Relations
Effective: April 1-2016

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - WORKING SUPERVISORS
 - Dollars per Hour

<u>SCHEDULE 25</u>		<u>GROUP 1</u>	<u>GROUP 2</u>
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	01	48.60	50.68
02	02	47.01	49.02
03	03	44.96	46.88
03	3A	45.44	47.38
04	04	42.94	44.77
05	05	38.95	40.61

<u>SCHEDULE 27</u>		<u>GROUP 1</u>	<u>GROUP 2</u>
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	11	51.30	53.50
02	12	47.02	49.03
03	13	44.96	46.88
04	14	42.92	44.75
05	15	36.62	38.19

<u>SCHEDULE 28</u>		<u>GROUP 1</u>	<u>GROUP 2</u>
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	21		
02	22	52.49	54.73
		49.36	51.47

NOTES:

These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 25, 27 and 28 and for union members who relieve in Trades Supervisory position.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Hydro One Labour Relations

Effective: April 1-2016

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 27 - MOTIVE POWER TRADES
 - Dollars per Hour

Grade (Group)	TRADE	LEARNER				IMPROVER			J'PER	J'PER AA	UTS LVL 3
		Step 0	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
01	Regional Field Mechanic; Transport & Work Equipment	26.31	28.50	30.70	32.89	35.08	37.27	39.47	41.66	43.85	47.36
07	Autobody Fabricator Hydraulics & Automotive Machinist	24.92	27.00	29.08	31.16	33.23	35.31	37.39	40.19	41.54	44.86
02	Regional Shop Mechanic Transport Mechanic Work Equipment Mechanic Auto Body Repairer (1)	24.11	26.12	28.13	30.14	32.96	35.37	37.78	40.19		43.41
03	Automotive Painter (2)	23.52	26.02	28.52	33.13	38.43					41.50
06	Fuel and Electrical Systems Mechanic	23.52	26.02	28.52	33.13	38.43					41.50
04	Accessories Installer	23.66	26.12	28.57	36.68						39.61
05	Service Station Attendant	23.38	25.76	31.30							33.80

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyperson level is reached.
- (3) For Trade Group 6 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyperson level is reached.

Hydro One Labour Relations
 Effective: April 1-2016

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 28 - REGIONAL MAINTAINERS
 - Dollars per Hour

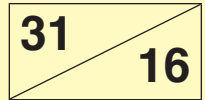
Grade (Group)	TRADE	LEARNER			IMPROVER			REGIONAL MAINTAINER 2		REG MAIN 1	UTS LVL 3
		Step 0	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
01	Regional Maintainer-Lines	24.92	27.00	29.08	31.16	33.23	37.39	41.54	43.20	44.86	48.45
	Regional Maintainer - Electrical										
	Regional Maintainer - Mechanical										
	Regional Maintainer - Cable Splicer										
	Customer Service Representative - I										
02	Regional Maintainer-Power Equipment Electrician										
	Regional Maintainer - Civil	24.11	26.12	28.13	30.14	32.95	36.40	40.18	42.19		45.57
	Regional Maintainer - Forestry										

NOTES:

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
 Effective: April 1-2016



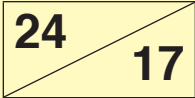
**HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
WEEKLY DOLLARS**

GRADE	TITLE	STEP 0	STEP 1	STEP 2	STEP 3	UTS LVL 3 STEP 4	SUPV LEVEL 2 STEP 5
16	Janitor 'A'		1,144.02	1,250.29		1,350.31	1,462.84

This schedule is applicable to a 40-hour work week.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
Effective: April 1-2016



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 24 - REPRODUCTION & GRAPHIC SERVICES
- Dollars per Hour

Grade	TRADE	Step 0	Step 1	Step 2	Step 3	Step 4	UTS	SUPV
							LVL 3	LEVEL 2
							Step 7	Step 8
01	Cameraperson Litho Press Operator I		42.45	43.56	44.68		48.25	
04	Micrographic Worker II Film Quality Inspector Photocompositor I, Press Operator			36.00	38.26		41.32	44.76

Advancement through trade groups is not automatic.

All progressions shall be in accordance with Item 3 of Part A.

RULES OF APPLICATION

- (1) All jobs on Wage Schedule 24 will be advertised within the Reproduction and Graphics Services Department when they become vacant.
- (2) Step 1 does not apply to the classification of Camerapersons.

Hydro One Labour Relations
Effective: April 1-2017

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - TRADES
 - Dollars per Hour

Grade (Group)	TRADE	LEARNER		Step 2	IMPROVER			J'PER Step 6	J'PER AA Step 7	UTS LVL 3 Step 8	UTS LVL 3A Step 9
		Step 0	Step 1		Step 3	Step 4	Step 5				
01	Customer Service Representative 'A'; Electrician Fitter Mechanic; Instrument Mechanic; Powerline Maintainer Machinist; Mechanic 'A'; P.M. Electrician 'A'; Welder 'A'	25.18	27.27	29.37	31.47	33.57	37.76	41.96	44.06	45.32	
02	Cable Splicer (2), Switching Agent Building Mechanic Carpenter; Crane Operator (Licensed) Forester Mechanic; Mechanic B (1); Meter Mechanic; P.M. Electrician B Pipefitter; Tinsmith; Rigger; Welder Underground Cable Stakeout Person; Power Equipment Component Refinisher (2)	24.35	26.38	28.41	30.44	33.28	36.77	40.58	42.61	43.83	
03	Asst Mechanic Crane Operator (licensed) 8 tons and under 20 tons Customer Service Representative Mechanic C (1) Meter Repairer; Painter Tool & Equipment Repair Person (3) Regional Site Maintenance Person (3A) Assistant Power Maintenance Electrician I	23.75	26.27	28.80	33.45	38.81	39.22		J'PER AA 40.75	UTS LVL 3 41.91	UTS LVL 3A 42.36
04	Assistant Power Maintenance Crane Operator (Licensed) under 8 Maintenance worker; Meter Reader Asst Cable Splicer (3) Station Maintenance & Inspection Meter Reader/Data Collector	23.80	26.32	28.84	37.07	38.22			J'PER AA 38.92	UTS LVL 3 40.04	
05	Handyperson (4)		23.80	30.49	33.62			J'PER AA 35.30	UTS LVL 3 36.31		
06	Powerline Ground Assistant		30.52	32.25	33.91			35.61	36.62		
07	Powerline Maintainer Special (5)		38.81								
08	Labourer (6)		23.80	27.49	30.54	32.98	35.73				
09	Summer Student (7)		18.15	19.65							
10	Meter Reader B		23.09	26.45							
11	Supervising Meter Reader Supervising Meter Reader/Data		42.63								

- (1) Advancement from Mechanic C to B or A is not automatic.
- (2) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until Journeyman level is reached.
- (3) For all Trade Group 3 and 4 jobs, first increase six months after start, second increase twelve months after starting date. All other progressions are on an anniversary basis until Journeyman level is reached.
- (3A) Step 5 is used for Regional Site Maintenance employees who are required to hold a valid MOEE Herbicide Land Exterminator Class 01 licence. The base rate for Step 5 will be 41 cents per hour above Step 4, retroactive to January 1, 1999.
- (4) First increase six months after starting date.
- (4A) Step 5 is used as a step-up rate for Meter Reader/Data Collector employees required to perform Cable Locates.
- (5) Not a hiring classification. Restricted for use of retrogressed Powerline Maintainers or former Rural Linepersons who are not fully qualified to perform the duties of their present positions.
- (6) Progressions are on six (6) month intervals until Step 2 is reached.
- (7) Step 0 paid for first year of employment, Step 1 paid for second year of employment.

Hydro One Labour Relations
 Effective: April 1-2017

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 25 - WORKING SUPERVISORS
 - Dollars per Hour

SCHEDULE 25		GROUP 1	GROUP 2
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	01	49.09	51.19
02	02	47.48	49.51
03	03	45.41	47.35
03	3A	45.89	47.85
04	04	43.37	45.23
05	05	39.34	41.02

SCHEDULE 27		GROUP 1	GROUP 2
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	11	51.82	54.03
02	12	47.49	49.52
03	13	45.41	47.35
04	14	43.35	45.20
05	15	36.98	38.56

SCHEDULE 28		GROUP 1	GROUP 2
<u>TRADE GROUP</u>	<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>
01	21	53.02	55.29
02	22	49.85	51.98

NOTES:

These grades are applicable to PWU Supervisors who supervise employees paid from Schedules 25, 27 and 28 and for union members who relieve in Trades Supervisory position.

Group 1 is the hourly rate for union Supervisors Level 2. It is also applicable to union members relieving in union Supervisors Level 2

Group 2 is the hourly rate for union Supervisors Level 1. It is also applicable to union members relieving in union Supervisors Level 1

Trade Group 3, Grade 3A applicable to Schedule 25 (Group 03, Step 5).

Hydro One Labour Relations

Effective: April 1-2017

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 27 - MOTIVE POWER TRADES
 - Dollars per Hour

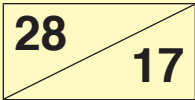
Grade (Group)	TRADE	LEARNER				IMPROVER			J'PER	J'PER AA	UTS LVL 3
		Step 0	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
01	Regional Field Mechanic; Transport & Work Equipment	26.57	28.79	31.00	33.22	35.43	37.65	39.86	42.08	44.29	47.83
07	Autobody Fabricator Hydraulics & Automotive Machinist	25.18	27.27	29.37	31.47	33.57	35.67	37.76	40.59	41.96	45.32
02	Regional Shop Mechanic Transport Mechanic Work Equipment Mechanic Auto Body Repairer (1)	24.35	26.38	28.41	30.44	33.28	35.72	38.15	40.59		43.84
03	Automotive Painter (2)	23.75	26.27	28.80	33.45	38.81					41.91
06	Fuel and Electrical Systems Mechanic	23.75	26.27	28.80	33.45	38.81					41.91
04	Accessories Installer	23.90	26.38	28.86	37.05						40.01
05	Service Station Attendant	23.61	26.02	31.61							34.14

All progressions shall be in accordance with Item 3 of Part A.

NOTES:

- (1) For all Trade Group 1 and 2 jobs, progressions are on 6-month intervals until Step 4 is reached and are then on an anniversary basis until Journeyperson level is reached.
- (2) For Trade Group 3 jobs, progressions are on 6-month intervals until Journeyperson level is reached.
- (3) For Trade Group 6 jobs, progressions are on 6-month intervals until Step 2 is reached and are then on an anniversary basis until Journeyperson level is reached.

Hydro One Labour Relations
 Effective: April 1-2017



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 28 - REGIONAL MAINTAINERS
 - Dollars per Hour

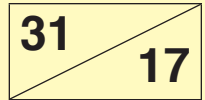
Grade (Group)	TRADE	LEARNER			IMPROVER			REGIONAL MAINTAINER 2		REG MAIN 1	UTS LVL 3
		Step 0	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
01	Regional Maintainer-Lines	25.18	27.27	29.37	31.47	33.57	37.76	41.96	43.64	45.32	48.95
	Regional Maintainer - Electrical										
	Regional Maintainer - Mechanical										
	Regional Maintainer - Cable Splicer										
	Customer Service Representative - I										
	Regional Maintainer-Power										
	Equipment Electrician										
02	Regional Maintainer - Civil	24.35	26.38	28.41	30.44	33.28	36.77	40.58	42.61		46.02
	Regional Maintainer - Forestry										

NOTES:

Progressions are on 6-month intervals until step 4 is reached and are then on an anniversary basis until the Maintainer 1 level is reached.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
 Effective: April 1-2017



**HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 31
TRADES - SERVICES (WEEKLY RATED)
WEEKLY DOLLARS**

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 0</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>UTS LVL 3 STEP 4</u>	<u>SUPV LEVEL 2 STEP 5</u>
16	Janitor 'A'		1,155.45	1,262.79		1,363.81	1,477.46

This schedule is applicable to a 40-hour work week.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
Effective: April 1-2017

NOTES

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PART C
CONTROLLERS/DISPATCHERS/TRAINees

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PART C
CONTROLLERS/DISPATCHERS AND TRAINEES
Specific Matters of Agreement

1.0 WAGE RATES

Controllers/dispatchers and trainees will be paid on the basis of an hourly rate. Basic wage, shift bonus, and all premium time entitlement shall be at an hourly rate with balanced weekly payments of the basic wage.

Wage rates shall be in accordance with wage schedule 30 which is part of this Agreement.

2.0 CONTROLLERS/DISPATCHERS ORGANIZATIONAL STRUCTURE

2.1 Application

Refer to arbitration award HO-P-8, HO-P-10, HO-O-20 and HO-0-21, dated May 30, 2002, for a description of the controller/dispatcher organization structure.

2.2 Application of Controller/Dispatcher Organizational Structure

Where it is mutually recognized that a problem or problems exist regarding the application of the controller/dispatcher organizational structure, a meeting of the Union and the Company will be called to resolve these specific problems. However, individual problems regarding the interpretation and application of the method will be initially dealt with in the field between the employee and his/her supervisor.

3.0 SUPERVISORY DUTIES

Under normal circumstances controller/dispatcher/trainee's non- union supervisor's duties are of a supervisory nature. His/her principal responsibility is to guide and direct his/her staff in the safe and proper performance of their work. It is necessary for him/her to gauge the degree of supervision required by the employees under his/her direction. Normally, a non-union supervisor must not take the place of a controller/dispatcher.

In the event that an emergent condition arises, a controller/dispatcher must be called in. However, when such a controller/dispatcher is not immediately available, the non-union supervisor may perform whatever duties are necessary until the controller/dispatcher can report for duty.

4.0 ON CALL CONTROLLERS/DISPATCHERS/TRAINEES

On call is the term used to cover on-call service performed by controllers/dispatchers/trainees. While on call they are allowed up to a maximum of one (1) hour between the time they are called and the time when they report to work.

The rate of pay for on-call duty will be one-half hour at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short call basis.

On-call duty by controllers/dispatchers/trainees will be on a purely voluntary, individual basis.

5.0 MEAL PROVISIONS

5.1 Provision of Meals

In recognition of the importance of regular meals to an individual's health and effectiveness on the job, the Company will supply meals as outlined below and when required, will assign an employee to secure the meals.

- (a) Employees provide their own meals on regular days of work.
- (b) When an employee works overtime on a regular day off, he/she will be expected to provide one meal if 23 hours notice has been given.
- (c) When an employee works extension overtime before or after normal scheduled hours, all required meals will be provided by the Company. The first meal (or meal allowance) will be provided when two (2) hours of overtime are worked. Subsequent meals or meal allowances will be provided every four (4) hours of overtime worked thereafter.
- (d) When meals cannot be reasonably obtained¹, an allowance of \$15.00 per meal will be paid.

5.2 Meal Periods

- (a) Employees on day work shall take a meal period designated by the Company and shall not be paid for this time (unless otherwise provided for in the Collective Agreement).
- (b) Employees on shift work shall eat their meals during the shift hours as conditions permit.

¹ 'Reasonably obtained' is to be defined locally by Union and Management.

- (c) When an employee works extension overtime, no time shall be deducted for eating such meals where the employee eats the meal on the job and in a minimum of time.

6.0 RELIEF WORK & ACTING IN VACANCIES

6.1 Selection to/Acting in Vacancies

Selection to positions in the controller/dispatcher/trainee wage schedule to be made within 90 days after the vacancy is created providing there is a suitable applicant.

6.2 Relief Work In a Non-Union Position

1. When a controller/dispatcher is used to supply relief in a non-union supervisory position he/she shall receive five percent (5%) above their base rate. When a controller/dispatcher is used to supply relief in a higher rated non-union non-supervisory position he/she shall receive three percent (3%) above their base rate.
2. The entitlement of controllers/dispatchers for payment of vacation days at a relief rate as outlined in 1. above will be determined by the amount of relief provided during the period from January 1st to December 31st each year. If relief has been provided for 50 percent (50%) or more of this time in a higher position, all vacation days taken during this same period will be paid at the higher rate. Time worked after a permanent promotion to a higher position will not be counted towards the 50 percent (50%) credit.
3. When a controller/dispatcher relieves in a non-union position and he/she acquires a lieu day (statutory holiday), the lieu day shall be paid at the higher rate.
4. When relieving in a non-union position during his/her normally scheduled hours of work, a controller/dispatcher shall be paid a minimum of four hours' pay at the appropriate relief rate, or the actual hours worked, whichever is greater.

7.0 SHIFT WORK

The content, preparation, posting and administration of shift schedules is the sole responsibility of the Company.

The posting of master shift schedules will be done in a manner that considers the needs of both the employee and the Company.

7.1 Regular Controllers/Dispatchers

7.1.1 Master Work Schedule

A six-month (commencing in January and July) master work schedule, averaging 40 hours per week, posted one month in advance, will be prepared and posted indicating the days, hours of work (shift) for each controller/dispatcher. The master work schedule will provide a minimum of 16 hours off between eight hour shifts.

7.1.2 Time Balance

1. The master work schedule shall have the time balance adjusted for each controller/dispatcher to zero on June 30 and December 31. Statutory holidays occurring and vacation allowances taken during the respective periods shall be included when computing time balances.
2. Plus time balances on the above dates shall be paid for at premium rates of pay.
3. Minus time balances which occur as a result of implementing the provisions of 7.1.2(1), 7.4.4 and 7.4.5 shall be worked off in the master work schedule in which they occur or the two-month period immediately following the establishment of the minus time, whichever is the greater.

7.1.3 Revisions to Master Work Schedule

Revisions to master work schedules should be done in a manner that mutually meets the needs of both the employee and the Company.

It is the Company's intent to minimize the impact of revisions to master work schedules on the affected employees consistent with good business practices.

This shall be accomplished by open discussion with all potentially affected employees to ensure:

- the impact of disruption to the employee's previously scheduled time off is considered
- that employees understand the impact of the changes on the cost to the Company.

Master work schedules may be subject to revisions as follows:

1. Individual controllers/dispatchers may be changed within the master work schedule for strengthening of shifts providing a minimum of seven days' notice is given. The intention is that such changes shall normally be of a permanent nature.

In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

2. Supernumerary hours of work may be changed within a calendar day to strengthen a shift providing a minimum notice of 16 non-working hours is given before the start of the first affected shift. If sufficient notice cannot be provided, this change will not be made.
3. With a minimum of four days' notice, supernumerary days of work may be interchanged with scheduled days off, for meetings (excluding meetings involving Union), interviews, short leaves of absence, familiarization trips, training programs and for additional help during heavy workload periods. If more than four weeks separates a scheduled supernumerary day from a scheduled day off or four days' notice cannot be given then these may not be interchanged.
4. Once per schedule per controller/dispatcher and with a minimum of four days' notice an individual controller/dispatcher may be temporarily transferred from his/her master work schedule to the master work schedule of a controller/dispatcher who will be absent for at least ten working days. Seven days' notice will apply for subsequent temporary transfers. Such transfers shall be for the purpose of staff shortages due to transfers, leaves of absence or the absence of a controller/dispatcher involved in training as outlined in 7.4.5. A controller/dispatcher so transferred shall be required to assume the schedule of the absent controller/dispatcher and two days' notice shall be given when returning to his/her normal master work schedule.

A maximum of two additional regular controllers/dispatchers may be temporarily transferred to fill in behind the relieving controller/dispatcher and their moves shall be governed by the foregoing of this item.

5. An individual controller/dispatcher's schedule on a master shift schedule may be changed without penalty, as a result of his/her request for an extension of his/her vacation as outlined in Part A Section 6.7(1)(d).

7.1.4 Penalties

1. Failure to comply with one month's advance posting, as indicated in 7.1.1 shall require the payment of premium rates for work performed under the new schedule for which one month's advance posting has not been provided.
2. Failure to give the required notice, as indicated in 7.1.2(1) shall require the payment of premium rates until the notice period has elapsed.

7.2 Controller/Dispatcher Trainees and Surplus Controller/Dispatchers

7.2.1 Work Schedule (Supernumerary)

When supernumerary, surplus controllers/dispatchers and trainees shall be given a four-week schedule, averaging 40 hours per week, posted one week in advance, showing days and hours of work.

7.2.2 Revisions to Work Schedule

Supernumerary schedules themselves may be subject to revisions for purposes of necessary training, as follows:

1. Once per schedule per controller/dispatcher/trainee, scheduled supernumerary days of work may be interchanged with scheduled days off providing a minimum of one days' notice is given. For subsequent occurrences (i.e., within that 4-week schedule) a minimum of four days' notice will be given. If more than four weeks separate a scheduled supernumerary day from a scheduled day off, then these may not be interchanged. The one day's notice provision applies only to trainees who have less than five years' service in the electrical operating discipline.
2. Supernumerary hours of work may be changed within a calendar day providing a minimum notice of 16 non-working hours is given before the start of the first affected shift.

7.2.3 Transfers between Work Schedule and Master Work Schedule

1. When transferring from a supernumerary schedule to the schedule of a regular controller/dispatcher position and also when returning to their supernumerary schedule they shall be given one day's notice providing the transfer involves a change in the hours of work.
2. Plus time that has accumulated as a result of having worked in master work schedules shall be scheduled as time off during the four-week period following the controllers/dispatchers' return to their supernumerary schedules. Failure to schedule this time off as outlined above, or a cancellation of such scheduled time off, shall require the payment of all remaining plus time at the appropriate premium rate.
3. When occupying a regular controller/dispatcher position they shall be subject to the provisions governing regular controllers/dispatchers as detailed in 7.0.

7.2.4 Penalties

1. Failure to comply with the one week's advance posting, as indicated in 7.2.1 shall require the payment of premium rates for work performed under the new schedule for which one week's advance posting has not been provided.
2. Failure to give the required notice, as indicated in 7.2.2(1), 7.2.2(2) and 7.2.3 shall require the payment of premium rates until the notice period has elapsed.

7.3 Controller/Dispatcher Trainees

7.3.1 Work Schedule (Supernumerary)

When supernumerary, trainees shall be given an eight-week schedule, averaging 40 hours per week, posted two weeks in advance, showing days and hours of work.

7.3.2 Revisions to Work Schedule

While adherence to the supernumerary schedule is desirable, flexible utilization of trainees' working time will, on occasion, necessitate change in days of work on 24 hours' notice and hours of work on 16 hours' notice.

7.3.3 Transfers between Work Schedule and Master Work Schedule

1. When transferring from a supernumerary schedule to the schedule of a regular controller/dispatcher position and also when returning to their supernumerary schedule they shall be given one day's notice providing the transfer involves a change in the hours of work.
2. Plus time that has accumulated as a result of having worked in master work schedules shall be scheduled as time off during the four-week period following the trainees' return to their supernumerary schedules. Failure to schedule this time off as outlined above, or cancellation of such scheduled time off, shall require the payment of all remaining plus time at the appropriate premium rate.
3. When occupying a regular controller/dispatcher position they shall be subject to the provisions governing regular controller/dispatcher as detailed in 7.0.

7.3.4 Penalties

Failure to comply with the two weeks' advance posting, as indicated in 7.3.1 shall require the payment of premium rates for work performed under the new schedule for which one week's advance posting has not been provided.

Failure to give the required notice, as indicated in 7.3.2 and 7.3.3 shall require the payment of premium rates until the notice period has elapsed.

7.4 Miscellaneous Scheduling Provisions

7.4.1 Administration

Although the content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of controllers/dispatchers for a particular basic type of schedule will be adopted. Such preferences will be made known to the Company prior to commencement of preparation of new schedule.

However, if in the Company's opinion, the efficiency of the station or the health of a controller/dispatcher could be detrimentally affected by the chosen schedule, then

the Company will provide the Union (chief steward) with reasons or medical opinions why the desired schedule cannot be implemented.

The preference of individual controller/dispatchers regarding vacation periods will be considered, providing such preferences are made known prior to commencement of preparation of new schedules.

Controller/dispatcher positions identified on the Master Work Schedule will normally be filled.

7.4.2 Changing Positions on a Shift

Changing of positions on a given shift shall not involve premium rates of pay.

7.4.3 Definition

Notice as referred to in this item shall be defined as per the following example: One day's notice shall mean 24 hours prior to the start of the first affected shift. Also, the notice period shall be deemed to commence coincident with the posting of the revised schedule.

7.4.4 Training

Regular and supernumerary controller/dispatchers (surplus, and trainees) may be temporarily transferred from their work schedules for purposes of job related formal training and development at locations where planned controller/dispatcher training is provided.

The controller/dispatcher being trained will be surplus to the regular staff complement but he/she may be assigned certain definite responsibilities as his/her training progresses.

The controller/dispatcher being trained will be assigned specific hours of work for the duration of the training period; these will be assigned at or before the time he begins training.

There will be no loss of basic earnings (40 hours time hourly rate) due to participation in any training program.

Seven days' notice shall be given to all participating controller/dispatchers except in the event of a late cancellation in which case an alternate controller/dispatcher may be selected and he/she may waive the notice period.

7.4.5 Floating Statutory Holiday

A floating holiday may be interchanged with a supernumerary day or with a day where step-up relief can be provided. Floating holidays may be taken in the 12 month period from January 1 to December 31.

7.5 Twelve-Hour Shifts – Controllers/Dispatchers

This item is applicable to all basic shift-working controller/dispatchers. Developmental staff may be permitted to work twelve-hour supernumerary shifts (excluding Items 7.5.1 and 7.5.2.1).

7.5.1 Implementation

To implement twelve-hour shifts or discontinue twelve-hour shifts at any location, 51% of all affected basic staff, must vote in favour by secret ballot. The vote will be administered by the controller/dispatcher Steward.

The implementation vote will be conducted sufficiently in advance to permit the posting of the Master Schedule. The amount of advanced notice will be determined by the local supervisor.

Those controller/dispatchers who do not normally provide continuous shift coverage will not be permitted to vote. Item 7.5.2.2 must be adhered to.

7.5.2 Scheduling Provisions

7.5.2.1 A posted time-balanced twelve-hour shift schedule with equitable rotation per Part C, Item 7.7, must be complemented by a manpower availability requirement (MAR) list to cover unexpected absences or unavailability of staff, so that no individual will normally be required to work continuously more than fourteen (14) hours.

The MAR list is optional based on a decision made by the employees covered by the schedule. If availability to provide shift coverage becomes a problem, following discussions between the Chief Steward and local management, the following provisions for the MAR list and Item 7.5.2.2 will apply.

- i) The MAR list must identify at least one individual from the normal station complement authorized to work twelve-hour shifts, who is on a regular day off and capable of relieving on short notice any shift operating position vacated unexpectedly. Developmental staff may not be used for the express purpose of satisfying MAR list requirements.
- ii) The individual(s) identified on the MAR list must be available during the period two hours prior to and one hour after normal shift change times. This is not deemed to be time worked for any pay purposes.

7.5.2.2 Any new appointee must accept the posted twelve-hour shift schedule and MAR list as a condition of appointment; such appointees will vote for subsequent shift schedules and must accept the results.

Any controller/dispatcher/trainee used in replacing a basic position must accept the posted twelve-hour shift schedule and the MAR list obligations of the position involved.

7.5.2.3 Rescheduling and utilization of supernumerary time (all or a portion thereof) under circumstances and conditions in accordance with the Collective Agreement to cover part of a twelve-hour shift will not result in premium time payment.

7.5.2.4 No more than four (4) twelve-hour shifts may normally be scheduled in sequence and must be followed by a minimum of forty-eight (48) hours off. For cycles greater than thirty (30) days, one short change of twenty-four (24) hours off will be permitted per cycle.

7.5.2.5 When a regular shift commences before midnight and continues after midnight, e.g. 20:00 to 08:00, all hours during the continuous shift shall, for pay and time balance purposes, be recorded and treated as if they occurred during the calendar day in which the shift ends.

7.5.2.6 Shift changes between twelve-hour shifts will provide a minimum of twelve (12) hours off for the individual involved; shift changes from twelve-hour shifts to eight-hour shifts will provide a minimum of twelve (12) hours off; similarly, changes from eight (8) to twelve (12) hour shifts will provide a minimum of sixteen (16) hours off.

7.5.2.7 All vacation days, floating and statutory holidays, hours of work, and supernumerary days included on the Posted Master Schedule must be identified as being twelve (12), eight (8) or (4) hour shifts (vacation and supernumerary days).

7.5.3 Election Coverage

With particular regard to elections, it may be necessary to reschedule working hours of some or all individuals, without penalty.

To avoid the use of eight (8) hour shifts, the following strategy for all Federal, Provincial and Municipal Elections will apply.

7.5.3.1 All employees scheduled to work the twelve-hour shift on the day of the election will be encouraged to vote at the Advance Polls.

7.5.3.2 For those employees scheduled to work the twelve-hour day shift on the day of the election who found it impossible to vote at the Advance Polls, provisions will be made by their supervisor to release them for the time required to vote and then return to work. Transportation and expenses to and from the polling station are the employee's responsibility. Employees requiring time off to vote will endeavor to notify their supervisor 7 days before the election day so adequate coverage can be arranged.

If not notified, the supervisor will make the appropriate changes to shift coverage notifying staff at least 4 days in advance of the election day.

In the event that an employee does not use the advance poll, but requires time off, it may be necessary to revert to eight-hour shifts for the election.

7.5.4 Administration of Entitlements

7.5.4.1 Entitlement for vacation, statutory holidays, floating holidays, special time off, and sick leave, as noted in Part A General Items, shall be credited in hours, with each day of entitlement constituting eight (8) hours.

7.5.4.2 Only when an employee is scheduled to work a twelve-hour shift, will a “day” with reference to items 7.5.4.2.1, 7.5.4.2.2, and 7.5.4.2.3 constitute twelve (12) hours deducted from credits; a “day” with reference to 7.5.4.2.4, 7.5.4.2.5, 7.5.4.2.6, 7.5.4.2.7, and 7.5.4.2.8 will constitute twelve (12) hours.

Items 7.4.2.9, 7.4.2.10 and 7.4.2.11 will be credited for pay purposes on any actual hour-for-hour basis.

- 7.5.4.2.1 Vacation
- 7.5.4.2.2 Floating and Statutory Holidays
- 7.5.4.2.3 Sick Leave
- 7.5.4.2.4 Paid Leave of Absence
- 7.5.4.2.5 Legal Hearings
- 7.5.4.2.6 Funerals
- 7.5.4.2.7 Moving Days
- 7.5.4.2.8 Pregnancy/Adoption/Parental Leave
- 7.5.4.2.9 Travelling Time Outside Scheduled Hours
- 7.5.4.2.10 Payment for Temporary Supervision
- 7.5.4.2.11 Time Charges and Expenses-Union Representation

A vacation day, floating or statutory holiday, scheduled on a posted Master Schedule will constitute eight (8) hours deducted from credits.

A scheduled supernumerary day on a posted Master Schedule will constitute eight (8) hours. One four (4) or twelve (12) hour supernumerary shift per six month schedule may be utilized for balancing purposes. Where mutually agreeable, more than one (1) four and/or twelve-hour supernumerary shift may be used.

Training days will be identified on a posted Master Schedule. When it is necessary to remove an individual from his/her normal shift rotation to establish training days, these identified days will not be moved by revisions to the master work schedule, except as noted below. Scheduling of these training days will be mutually agreed upon.

When scheduled training is cancelled, these identified days may be moved by revisions to the master work schedule for strengthening shifts, providing a minimum of seven (7) days’ notice is given.

If the training is deferred, every effort will be made to accommodate the individual originally scheduled.

7.5.5 Shift differential will be paid for the night shift only. The shift differential will be the sum of the differentials in Part C, Item 7.7 multiplied by 8/12.

7.5.6 Overtime will be paid as per Part C, Item 8.3.2.1. Unscheduled overtime is paid as per the actual hours worked, not per shift basis.

7.5.7 Termination of Twelve-Hour Shifts

7.5.7.1 Initial and subsequent twelve-hour shifts may be terminated by the Company without notice or penalty if considered to have adverse impact upon public or staff safety.

7.5.7.2 Twelve-hour shifts may be cancelled for any reasons by either the Company or the Union upon two (2) months' written notice to the other prior to the beginning of the subsequent schedule.

7.6 Forty-Hour Per Week Controllers/Dispatchers/Trainees

7.6.1 Non-shift Day Controllers/Dispatchers

The normal work week for these positions shall be 40 hours per week, consisting of five days of eight hours each, Monday to Friday, inclusive, statutory holidays excepted. The specific hours of work shall be 0800 to 1200 hours and 1300 to 1700 hours, except where such controllers/dispatchers are part of a shift complement, in which case their hours of work shall be 0800 to 1600 hours.

Controllers/Dispatchers filling such positions shall not be required to accept service duty or on-call duty.

7.7 Differential for Shift Work

Shift differentials shall apply to employees required to work on a three-shift schedule or a two-shift schedule. The first part of a three-shift or a two-shift schedule shall begin at normal starting time.

Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 0700 and 1800.

1. A shift differential of **95** cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.
2. A shift differential of 1 dollar **and 25 cents** per hour shall be paid to employees who are scheduled to work between the hours of 0000 and 0800.

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment of shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential. Controllers/Dispatchers Trainees will be paid this shift differential when they are working shift work.

8.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

8.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours (or controller's/dispatcher's/trainee's schedule, subject to provisions Part C Item 7.0), and is therefore, subject to compensation at premium rates.

Prearranged Overtime: Work performed outside the normal scheduled hours for which notification must be given a minimum of 24 hours in advance (21 hours for computer sub-branch shift working employees). Time shall be counted from the time the employee reports for work until the employee finishes work. Where this advance notice is not given, overtime shall be considered as emergency overtime.

Emergency Overtime: Work performed outside the normal scheduled hours which is neither prearranged nor extension overtime. Time shall be counted from the time the employee reports for work until the employee finishes work.

Extension Overtime: Work performed outside the normal scheduled hours as an extension of the normal scheduled hours/shift (either immediately preceding or following the normal scheduled hours/shift). Time shall be counted from the time the employee reports for work until normal starting time or from normal quitting time until the employee finishes work. Extension overtime will not be used for controllers/dispatchers/trainees where coverage is required for a complete shift and a controller/dispatcher/trainee is available.

8.2 Minimum Payments

8.2.1 Emergency Overtime

All emergency overtime worked shall receive a minimum payment of three hours' straight time pay or the actual time worked at the appropriate premium rates, whichever is the greater providing short emergency calls are not repeated within one hour of the completion of a previous call, for which the three hours' minimum (three hours at straight time) was paid.

In addition to the payment for emergency overtime or minimum payment as outlined above, one hour (straight time) shall be paid to the controller/dispatcher/trainee as compensation for travelling from his/her home to his/her place of work and return.

8.2.2 Prearranged Overtime

All prearranged work outside of normal hours performed or reported for due to lack of notice of cancellation on a scheduled day of work shall receive a minimum of two hours' straight time pay or the actual time worked at the appropriate premium rate, whichever is the greater.

All prearranged work performed or reported for due to lack of notice of cancellation on a scheduled day off shall receive a minimum of four hours' straight time pay or the actual time worked at the appropriate premium rate, whichever is the greater.

All prearranged overtime work cancelled within 24 hours of the designated work commencement time shall require payment of two hours at the basic rate to all affected controllers/ dispatchers/trainees.

One hour at straight time will be paid in lieu of time spent travelling when an employee is called in to work overtime and an extra trip is involved.

8.3 Premium Payments

8.3.1 Payment for Overtime

Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Premium payment for overtime shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours (***one hour effective March 31, 2016***) after normal quitting time, Monday to Friday inclusive. It will also apply to the first two hours (***one hour effective March 31, 2016***) of overtime worked on an unscheduled day of work.
2. Two times the employee's basic rate shall be paid for:
 - all work performed outside of the first two hours (***one hour effective March 31, 2016***) after normal quitting time, Monday to Friday inclusive, and after the first two hours (***one hour effective March 31, 2016***) on an unscheduled day of work.
 - all overtime work performed on Saturday, Sunday and statutory holidays which occur Monday to Friday.
3. Two and one-half times the employee's basic rate shall be paid for all overtime hours worked on a statutory holiday which occurs on Saturday.

8.3.2 Scheduled Work

1. One and one-half times the employee's basic rate shall be paid for scheduled work performed on Saturdays and Sundays.
2. Two times the employee's basic rate shall be paid for:
 - (a) Scheduled work performed on a statutory holiday which occurs on Monday to Friday. An additional day off will be scheduled in lieu of the statutory holiday within six months of the end of the posted schedule.
 - (b) Scheduled work performed on a statutory holiday which occurs on a Saturday. The premium for scheduled Saturday in 1. above shall not apply.

8.3.3 Cancelled Vacation Days

When an employee's vacation is cancelled by the Company, the employee shall receive the appropriate premium rate for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days. If more than seven calendar days' notice has been given, the employee shall receive straight time for all normal hours worked.

Where possible, and where it is mutually agreeable, cancelled vacation days shall be rescheduled during the current or succeeding six months' schedule. If this is not possible, the cancelled vacation shall be included in the employee's time balance at the end of the schedule in which it occurred.

When a controller's/dispatcher's/trainee's vacation is postponed owing to his/her illness, this postponed vacation will be rescheduled at a mutually agreeable time during the current or succeeding six months' schedule. If this is not possible, the cancelled vacation will be paid for at straight time rates.

NOTE

Controllers/Dispatchers/Trainees shall receive entitlement for the same number of statutory holidays as Part 'B' hourly-rated employees. Therefore, when a statutory holiday falls on a Saturday, statutory holiday credit shall not apply.

8.4 Special Provisions Concerning Overtime

An employee who is required to work continuously for more than 16 hours shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest period.

8.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

(a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed during the first two clock hours after the normal quitting time of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours after the classification's normal quitting time.

and/or

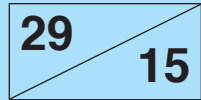
(b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours worked in a day. Two times the employee's basic rate for all work performed in excess of two hours in a day.

and/or

(c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

8.6 Equivalent Time Off Without Pay

See Part 'A' Section 10.2



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS
- Dollars per Hour

Grade	TRADE	Step 1	Step 2	Step 3	Step 4	Step 5
01	Sr. Electrical Area Supervisor Outage Scheduler	52.89	54.93			
08	Senior Shift Authority (SSA) Operator	51.36	52.90			
02	Level IA - Operator Electrical Area Supervisor	49.84	51.35			
03	Level I - Operator	48.17	49.67			
04	Level II - Operator	45.04	46.39			
05	Level III - Operator	40.75	40.75			
06	Reserve Operator	33.94	36.23	38.39	40.75	
07	Operator-in-Training	24.68	26.73	28.79	30.85	32.03

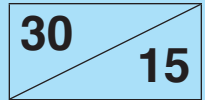
Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OIT'S progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

Hydro One Labour Relations
Effective: April 1-2015



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 30 - CONTROLLER/DISPATCHER
- Dollars per Hour

Grade						
(Group)	TRADE	Step 1	Step 2	Step 3	Step 4	Step 5
01	Controller	43.36	46.82	51.35	54.47	57.15
02	Dispatcher	39.87	41.13			
03	Controller/Trainee	25.25	29.41	32.94	36.90	
04	Dispatcher Trainee	24.67	28.79	32.04		

Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 Dispatcher.

Controller Trainees progress in 6-month intervals until Step 4 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.

Hydro One Labour Relations
Effective: April 1-2015

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS
- Dollars per Hour

Grade	TRADE	Step 1	Step 2	Step 3	Step 4	Step 5
01	Sr. Electrical Area Supervisor	53.42	55.48			
	Outage Scheduler					
08	Senior Shift Authority (SSA) Operator	51.87	53.43			
02	Level IA - Operator	50.34	51.86			
	Electrical Area Supervisor					
03	Level I - Operator	48.65	50.17			
04	Level II - Operator	45.49	46.86			
05	Level III - Operator	41.16	41.16			
06	Reserve Operator	34.29	36.59	38.77	41.16	
07	Operator-in-Training	24.92	27.00	29.08	31.16	32.35

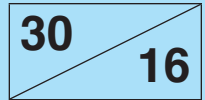
Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OIT'S progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

Hydro One Labour Relations
 Effective: April 1-2016



HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 30 - CONTROLLER/DISPATCHER
- Dollars per Hour

Grade	(Group) TRADE	Step 1	Step 2	Step 3	Step 4	Step 5
01	Controller	43.79	47.29	51.86	55.01	57.72
02	Dispatcher	40.27	41.54			
03	Controller/Trainee	25.50	29.70	33.27	37.27	
04	Dispatcher Trainee	24.92	29.08	32.36		

Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 Dispatcher.

Controller Trainees progress in 6-month intervals until Step 4 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.

Hydro One Labour Relations
Effective: April 1-2016

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 29 - ELECTRICAL OPERATORS
- Dollars per Hour

Grade	TRADE	Step 1	Step 2	Step 3	Step 4	Step 5
01	Sr. Electrical Area Supervisor Outage Scheduler	53.95	56.04			
08	Senior Shift Authority (SSA) Operator	52.39	53.96			
02	Level IA - Operator Electrical Area Supervisor	50.84	52.38			
03	Level I - Operator	49.14	50.67			
04	Level II - Operator	45.95	47.33			
05	Level III - Operator	41.57	41.57			
06	Reserve Operator	34.63	36.96	39.16	41.57	
07	Operator-in-Training	25.18	27.27	29.37	31.47	32.67

Progressions shall be in accordance with Item 3 of Part A.

NOTES:

OIT'S progress in 6-month intervals until Step 5 is reached, then after 12 months, progress to Grade 06, Step 1 - Reserve Operator.

Reserve Operators progress on an anniversary basis until Reserve Operator Step 3 is reached. Progression to Step 4 will occur at 84 months.

Hydro One Labour Relations
Effective: April 1-2017

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
WAGE SCHEDULE 30 - CONTROLLER/DISPATCHER
- Dollars per Hour

Grade (Group)	TRADE	Step 1	Step 2	Step 3	Step 4	Step 5
01	Controller	44.23	47.76	52.38	55.56	58.30
02	Dispatcher	40.67	41.96			
03	Controller/Trainee	25.76	30.00	33.60	37.64	
04	Dispatcher Trainee	25.17	29.37	32.68		

Progressions shall be in accordance with Item 3 of Part A except as modified by this agreement

NOTES:

Dispatcher Trainees progress in 6-month intervals until Step 3 is reached, then after 12 months, progress to Grade 02, Step 1 Dispatcher.

Controller Trainees progress in 6-month intervals until Step 4 is reached, then after 12 months, progress to Grade 01, Step 1 - Controller.

Hydro One Labour Relations
 Effective: April 1-2017

NOTES

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WEEKLY-SALARIED

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PART D
WEEKLY-SALARIED
Specific Matters of Agreement

1.0 SALARIES

Salaries shall be in accordance with the salary schedules which are part of this Agreement.

2.0 ON CALL

2.1 On Call – Protection and Control

On call is the term used to cover trouble call service performed by Protection and Control Technicians and Technologists. While on call, they are allowed up to a maximum of two (2) hours between the time they are called and the time when they report to work.

The rate of pay for on-call duty will be one-half hour (***one (1) hour effective March 31, 2016***) at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour (***one and one quarter (1.25) hour effective March 31, 2016***) at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short call basis.

Subject to safe application, volunteers will be requested prior to the mandatory assignment of on call.

2.2 On Call-Hydro One Telecom Technical Staff

On call is the term used to cover trouble call service performed by Hydro One Telecom technical staff. While on call, they are to report to work in a reasonable length of time.

The rate of pay for on-call duty will be one-half hour (***one (1) hour effective March 31, 2016***) at the employee's basic hourly rate per day, except for Saturdays, Sundays and statutory holidays when the rate will be one (1) hour (***one and one quarter (1.25) hour effective March 31, 2016***) at the employee's basic hourly rate per day. An employee required to report to work for on-call duty shall be paid for his/her working time in accordance with the standard regulations governing overtime, including the regulation governing work performed on a short-call basis.

2.3 On Call Helicopter Pilots and Air Engineers

On call is the term used to cover trouble call service performed by Helicopter Services, Helicopter Pilots and Air Engineers. While on call, employees are to report to the

site of the Helicopter, in a maximum of 3 hours from the time of being called/paged. On call will be on a voluntary individual basis for Air Engineers. Subject to safe application, volunteers will be requested from Helicopter Pilots prior to mandatory assignment of on call. Helicopter Pilots will not be required to accept on call more than thirteen (13) times per pilot per calendar year.

The rate of pay for on call duty will be one (1) hour at the employee's basic hourly rate per day for Saturdays, Sundays and Statutory Holidays.

3.0 POSTING OF VACANCIES

All vacancies as set out in Article 10 and as covered by this section of the agreement will be posted when they become vacant with the following exceptions:

1. A change to the job duties, rating and/or salary grade resulting from a Clerical-Technical Job Evaluation Plan challenge, or a Review of a Rating by the Job Classification Committee, or a change to a job title and/or occupation code only, shall not be considered to create a vacancy.
2. A change to the duties of an occupied job, wherein the salary grade remains unchanged, shall not be considered to create a vacancy.
3. A change to the duties of a job covered by the Clerical-Technical Job Evaluation Plan which results in an increase to the salary grade shall not be considered to create a vacancy if there is, in the Company's opinion, an employee in the immediate work group who is the only one qualified to perform the resulting job. However, in such cases, if there is a more senior employee in the same job in the same work group who was not appointed to the resulting job, he/she shall have the right to seek redress under Article 2, Grievance Procedure.
4. Changes to jobs which result in a surplus in staff complement of the work group shall not be considered to create a vacancy in the resulting job(s).
5. The restructuring of a job in a manner which justifies application of the Downward Restructuring Rule (Section 4.9.2 of this section of Agreement) to the incumbent, shall not be considered to create a vacancy.

3.1 Posting Procedures

A notice of vacancy referring to jobs covered by the Clerical-Technical Job Evaluation Plan shall be based on the job description and job specification and shall be posted province wide. Nothing contained in the notice of vacancy shall contravene the information contained in the job documents. No important information (subject to space limitations) shall be omitted. A notice of vacancy setting out a higher education or experience requirement than indicated in the job specification will require a corrected notice of vacancy and an extended date of closure.

Vacancies for applications technician and service specialist within the jurisdiction of the Union shall be posted on a province-wide basis subject to all conditions relating to positions once removed from the Union's jurisdiction.

4.0 CLERICAL-TECHNICAL JOB EVALUATION

NOTE:

1. The job challenge process contained in Clerical-Technical Job Evaluation Manual, "Plan B" and referred to in this section shall be replaced for the term of this Collective Agreement with the expedited process contained in Article 2.7, Dispute Resolution – Article 8, Job Challenges, and OGLs. The Job Classification Committee shall assume all the responsibilities normally associated with the Joint Salary Committee for the term of this Collective Agreement.
2. When a management review of a job document that is occupied by more than one employee results in a proposed change of the job grade rating, management will discuss the proposed change with the Chief Steward prior to the review of the Job Description and Job Specification with the incumbents.

4.1 The Clerical-Technical Job Evaluation Plan

The provisions which form the basis of the Clerical-Technical Job Evaluation Plan, formerly referred to as Plan 'B', are contained in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual. Matters pertaining to the application of dollars are contained in the Collective Agreement. Job evaluation matters are contained in the Manual. The Company shall identify the Company groups responsible for dealing with the Union in the foregoing matters.

4.2 Jobs Covered by the Clerical-Technical Job Evaluation Plan

The plan shall cover all jobs falling under this section of the Collective Agreement excepting those covered by salary schedule 21.

4.3 Identification of Jobs in Salary Schedule

All jobs processed under the Clerical-Technical Job Evaluation Plan shall be designated a salary grade in the current salary schedule issued in conjunction with the Collective Agreement.

4.4 The Union Clerical-Technical Job Evaluation Manual

The Manual is a supplement of the Collective Agreement and its provisions shall apply as if set forth in full herein.

The Manual shall be supplied to all employees whose jobs are covered by the plan.

4.5 Rights of the Parties

The Company has and shall retain the exclusive right and power to decide what work is to be done and who is to do it and accordingly the Company shall apply the Clerical-Technical Job Evaluation Plan to determine appropriate salary grades for jobs. The Company shall exercise these rights in accordance with the provisions as set forth in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual.

The Union's right shall be to act on behalf of its members to ensure that the Clerical-Technical Job Evaluation Plan is being properly applied. In order to carry out this function, the Union Job Evaluation Officer shall work in liaison with the appropriate Company groups responsible for the administration of such matters and he/she shall be permitted, within reason, to interview employees during regular working hours.

The Union shall exercise these rights in accordance with the provisions as set forth in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual.

The Union shall retain its rights to participate jointly with the Company in developing and/or modifying the Clerical-Technical Job Evaluation Plan.

In the event of conflict between the foregoing general statements, regarding the rights of the parties, and the specific provisions contained in the Collective Agreement and the Union Clerical-Technical Job Evaluation Manual, the latter shall govern.

4.6 Salary Schedule

The salary schedule for jobs covered by the Clerical-Technical Job Evaluation Plan and issued in conjunction with the current Collective Agreement shall have the following characteristics:

1. The salary schedule shall be a salary range schedule with a total of 18 salary grades.
2. The percentage increment from salary grade to salary grade (based on step 3 of each salary grade) calculated from salary grade 51, step 3, shall be annotated on the schedule 20 which is currently in effect.
3. Each salary grade is composed of three steps. The second step is 97 percent (97%) of the maximum and the first step is 94 percent (94%) of the maximum. The time interval required for anniversary progression shall be in accordance with Part 'A', Section 3.0.
4. When an incumbent is promoted from one salary grade to another, he/she shall be promoted in accordance with Part A, Section 24.1.1.
5. The relationship between the salary grade and the point range shall be 13 points for the first salary grade and 21 points for each salary grade thereafter.

4.7 Wages and Retroactivity upon Upward Reclassification

Upward Reclassification as a Result of Company Initiated Action:

1. Transfer from the existing salary grade to the new higher salary grade shall be by the promotion rule.
2. Retroactive entitlement shall be computed by going back to the date when the increased job demands and responsibilities were instituted or undertaken.

Upward Reclassification as a Result of Employee Initiated Action Through the Issuance of a Record of Discussion Form:

1. Transfer from the existing salary grade to the new higher salary grade shall be by the promotion rule, except in the following situations where it shall be by the step-to-step method:
 - (a) Where there is no change in job content or job demand, but the job specification factor ratings change resulting in an upward reclassification of the job.
 - (b) Where a change in job demand is recognized resulting in an upward reclassification of the affected incumbents and where such incumbents have been performing the duties and/or undertaking the responsibilities which caused the upgrading for a period of one year or more prior to the date of the first discussion as recorded on the Record of Discussion form and where these same incumbents have been in the maximum step of the salary grade for the job for one year or more prior to the date of the first discussion.
2. The date of the transfer of an employee to a higher salary grade whether by the promotion rule or the step-to-step method shall be the date of the commencement of the retroactivity and the transfer shall be from the salary grade and step in effect on that date.
3. Retroactive entitlement in Subsection 1. above shall be as set out in the Union Clerical-Technical Job Evaluation Manual.
4. An incumbent who has left the Company's service shall be entitled to retroactive payment, as a result of challenge for the affected period during which he/she was in the Company's employ.

4.8 Training Situations

Normally, an employee receives his/her training and experience by being promoted through a series of established jobs for which job descriptions and job specifications exist. His/her movement up the ladder from job to job will occur when the Company

determines that he/she is capable of performing the duties and responsibilities of a higher-rated job, and an opening exists.

At times, however, in certain types of work, an employee will be advanced through a planned series of training steps in which he/she will be directly trained for a specific job which he/she will eventually occupy, i.e., a terminal job. This is termed a training situation.

The Company will identify the need for such a training situation and will structure the terminal job. A job description and job specification will be prepared for the terminal job only. The Job Classification Committee will establish the final rating for the terminal job, and will determine the appropriate training steps leading to the terminal job rate.

The training steps will be established in the following manner:

4.8.1 Formula for Developing Training Situations

The hiring rates will be established based on survey data supplied by the Company and/or the Union and will be consistent with the mean hiring rate being paid by other companies to inexperienced graduates possessing the specified education required to perform the terminal job.

The time span of the training situation will consist of a number of years equal to the minimum number of years indicated in the experience factor applying to the terminal job.

For each year of the time span as determined above an annual training step will be established. The Job Classification Committee may approve the division of annual steps into quarterly or semi-annual sub-steps where such action has been recommended by line management.

Salary step dollars shall be calculated to proceed in geometric progression from the hiring rate to step 1 of the salary grade for the terminal job in the number of years of the training situation. The dollar values thus obtained for each step shall be translated to the nearest salary grade and step (above or below) which appears on schedule 20. The factor used to multiply each annual step dollars to find the next annual step will be 'F' i.e.,

$$F = \sqrt[n]{\frac{R_t}{R_s}}$$

Where,

- n = Number of years in the training situation
- R_s = Hiring rate
- R_t = Terminal rate

Where applicable the dollars for the half-yearly step will be starting dollars multiplied by 'Fh' i.e.,

$$Fh = \sqrt{2n} \sqrt{\frac{R_1}{R_2}}$$

4.8.2 Advancement Through Training Situations

1. A trainee will (subject to Subsections 2. and 3. following) advance to each subsequent training step at the designated intervals based on the date of appointment to the training situation. Upon completion of his/her training, he/she will be placed in the first progression step of the salary grade applying to the terminal job. He/she will then be subject to the conditions of the Clerical-Technical Job Evaluation Plan.
2. If at any time the trainee is judged to be incapable of performing the terminal job in a satisfactory way, he/she may be removed from the training situation.
3. If a trainee, in the Company's opinion, fails to make satisfactory progress his/her next training step may be delayed, in accordance with the provisions of Part 'A', Subsection 3.0. Such a delay may take place on one occasion only throughout the training program.
4. If a trainee, in the opinion of the Company displays exceptional ability, he/she may be advanced to the training step which is more in keeping with his/her achieved progress.
5. If a person having suitable experience is appointed to a training situation, the Company may place him/her in any training step judged to be appropriate to his/her applicable experience.
6. If a trainee, who has not yet attained the terminal job level, believes that he/she is fully performing the duties, and has the responsibilities of the terminal job document, he/she may institute a challenge.

4.8.3 Continuing Administration of Training Situations

The established hiring rates will remain in effect until altered through negotiation between the parent bodies or until altered through action resulting from a review by the Job Classification Committee upon the request by the parent bodies.

Recalculation of training step values (according to 4.8.1) will occur with a change in the hiring rate.

The existing trainees will remain on the training situations on which they were hired until they have reached the step 3 of the salary grade of the terminal job.

4.8.4 Tiered Training Situations

In certain instances, it may be necessary to develop a hierarchy of terminal jobs with training situations leading to each level, e.g., to the junior, to intermediate, and to senior levels. In such cases, the principles and practices as set out in this agreement will serve as a guide in the development of training steps and their values.

4.9 Clerical-Technical Job Evaluation Plan

4.9.1 Merit Rating

It is agreed that if, as and when merit rating is to be instituted, the plan (system of measurement), but not the application, shall be subject to negotiations.

4.9.2 Downward Restructuring Rule

This provision shall apply to incumbents whose jobs are covered by the Clerical-Technical Job Evaluation Plan.

Should the job which an incumbent is performing be changed, but the basic function and significant duties of the job remain unchanged, and should the job then fall into a lower salary grade, the following shall apply:

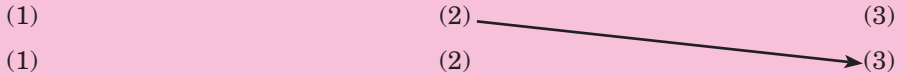
1. The incumbent's salary dollars (rate) shall be held constant, except for increases referred to in Subsection 5.9.2(4.), commencing on the date of issue of the Advice of Rating form issued by the Company.
2. Annually thereafter, the incumbent shall have his/her rate reduced by one progression step in the manner portrayed by the chart below.
3. The above process shall continue until the maximum dollars in the salary range for the restructured job are reached.
4. In the foregoing process of reduction, current salary schedule dollars shall be used. These include general negotiated increases and cost of living increases.

5. Reduction of One Salary Grade

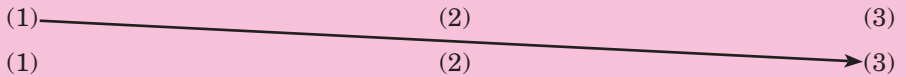
(a) Incumbent is in 3rd progression step¹



(b) Incumbent is in 2nd progression step²

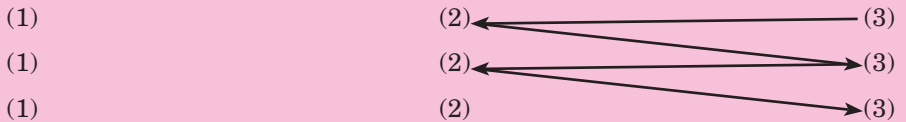


(c) Incumbent is in 1st progression step³

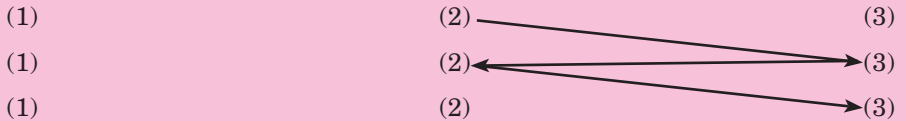


6. Reduction of More than One Salary Grade

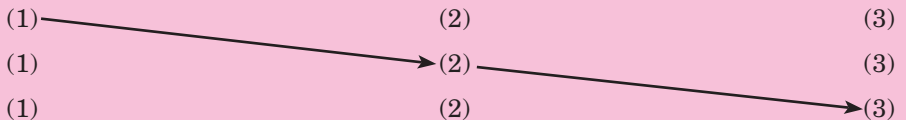
(a) Incumbent is in 3rd progression step⁴



(b) Incumbent is in 2nd progression step⁵



(c) Incumbent is in 1st progression step⁶



1 On the date of issue of the Advice of Rating form.

2 On the date of issue of Advice of Rating Form.

3 ibid

4 ibid

5 ibid

6 ibid

**5.0 POSITIONS EXCLUDED AS PER ARTICLE 1 –
WEEKLY-SALARIED (CLERICAL AND TECHNICAL)**

Incumbents in positions excluded under Article 1 perform certain inherent work functions which are part of their normal duties. It is also recognized, however, that such work functions will not be performed for the purpose of reducing staff requirements or deliberately to avoid overtime for employees represented by the Union. If the Union believes that this provision is being abused, it may lodge a grievance under Article 2 of the Collective Agreement.

6.0 JOB/FIELD CLERKS

6.1 Hours of Work

The normal work week for employees in these two classifications shall be 37-1/2 hours per week consisting of eight hours per day Monday through Thursday, and five and one-half hours on Friday.

All hours worked in excess of normal daily hours will be paid for at appropriate overtime rate.

For alternate hours of work arrangements refer to the Bargaining Memorandum of Understanding dated December 13, 1991.

6.2 Christmas Shutdown

6.2.1 It is recognized that the Company shall retain the right to designate those positions which require coverage during the shutdown. When a Christmas shutdown is declared by the Company, eligible weekly-salaried employees shall have the option of repayment by:

1. Applying unused vacation credits from the present year (when a Christmas shutdown period extends into the next calendar year, an employee will have the right to use his/her unused vacation from the previous year).
2. Applying next year's vacation entitlement (restricted to shutdown days only).
3. Requesting time off without pay (restricted to shutdown days only).
4. The use of make-up time at straight time.

Company will maintain salaries of weekly-salaried employees who elect to work make-up time. The employee will work make-up time within the following periods:

Shutdown Period

4 working days or less

More than 4 working days

Make-up Period

October 15 to February 1

October 1 to March 31

5. The use of banked overtime hours as per Section 6.3. The selection of option 4. above precludes the use of this option during the make-up period.

Unpaid overtime worked shall be paid to the employee at the appropriate premium rate in the event of his/her transfer or termination prior to receiving the time off with pay during the shutdown period.

The employee will indicate to his/her supervisor his/her selection of the above options prior to the commencement of the make-up period. The employee may change his/her options at any time provided the employee's supervisor authorizes the change.

- 6.2.2** The employee may elect to bank one hour for each overtime hour worked for application to the Christmas shutdown. The maximum number of hours that can be banked is equal to the duration of the Christmas shutdown. The premium portion of the overtime worked shall be received in earnings the following pay period or in equivalent time off with pay.

6.3 Equivalent Time Off With Pay

Job/Field Clerks will be compensated, either in money or in time off, for all overtime authorized by the supervisory staff.

The employee may request that the method of compensation be time off for the hours worked plus premium hours, but time off with pay will be subject to the supervisor's approval.

When time off is used as a method of compensation, the time off will be taken within six months of the date the overtime was worked subject to the approval of management.

6.4 Lateral Transfer of Job/Field Clerks

Employees will be laterally transferred when staff becomes available at a particular residence headquarters and corresponding needs become apparent in the same classifications at other residence headquarters.

Management will inform all employees affected when a change occurs in the construction program which may cause staff to be transferred.

If there is more than one qualified employee in the classification, the selection for transfer will be made on the basis of the most senior employee who is prepared to accept the transfer. If none of the qualified employees in the classification accept the transfer, then the most junior qualified employee will be transferred. The Chief Steward will be

the last one in a classification required to be transferred, provided that the employee concerned has the necessary qualifications to perform remaining work.

6.4.1 Surplus Staff Procedure

The surplussing of staff shall be done in accordance with Article 11 after the provisions of 6.4 have been applied.

6.5 Notice of Transfer

When Job/Field Clerks are transferred and a change of residence headquarters is involved, a minimum of two weeks' notice shall be given.

When the Company considers a preliminary trip to the new location is necessary for interview of employee or for him/her to seek a house, the time, board and lodging and travelling expenses of the employee may be paid. Following an employee's move to this/her new residence headquarters, and while awaiting the transfer of his/her family, time off may be required in order for him/her to seek a house. For such purposes reasonable time off without loss of earnings may be granted at the Company's discretion. This allowance would normally be expected to supplement efforts made by the employee during non-working hours and as such would not normally exceed a total of one full working day.

6.6 Board and Travel Expense – Job/Field Clerks

1. A residence headquarters will be established for each job/field clerk.
2. Job/Field clerks will be paid a board and travel expense subject to the following:

No compensation will be payable to the job/field clerk for travel from his/her residence to the regular work headquarters (e.g. first site on the line). In remote locations where it is not possible to have residence headquarters established within reasonable close proximity (40 road km) to the work headquarters, the board and travel expense will be paid.

- at subsequent temporary work headquarters, compensation will be based on the distance from the employee's residence to the temporary workheadquarters as follows:

up to 16 road km	–	no expenses
16 and up to 39 road km	–	\$13.00 per day worked
40 and up to 55 road km	–	\$15.00 per day worked
56 and up to 79 road km	–	\$20.00 per day worked
80 and up to 104 road km	–	\$26.00 per day worked
Greater than 104 road km	–	\$31.00 per day worked

In unusual circumstances, the Company at its discretion may place employees in hotels/motels or camps at no charge to the employees. In such cases, the expenses as noted above will not apply.

6.7 Job Shutdown Due to Lack of Work

Job clerks will be subject to standoff when no work is available. Vacation, floating statutory holidays, leave of absence without pay or equivalent time off with pay can be used under such circumstances.

6.8 Extreme Weather Closure

At certain times of the year, the offices or other buildings of the Company may be closed due to extreme weather conditions.

Job/Field Clerks shall receive time off with pay for these periods.

7.0 MEAL PROVISIONS

7.1 Provision of Meals

In recognition of the importance of regular meals to an individual's health and effectiveness on the job, the Company will supply meals as outlined below and when required, will assign an employee to secure the meals.

- (a) Employees provide their own meals on regular days of work.
- (b) When an employee works overtime on a regular day off, he/she will be expected to provide one meal if 23 hours notice has been given.
- (c) When an employee works extension overtime before or after normal scheduled hours, all required meals will be provided by the Company. The first meal (or meal allowance) will be provided when two (2) hours of overtime are worked. Subsequent meals or meal allowances will be provided every four (4) hours of overtime worked thereafter.
- (d) When meals cannot be reasonably obtained⁷, an allowance of \$15.00 per meal will be paid

7.2 Meal Periods

- (a) Employees on day work shall take a meal period designated by the Company and shall not be paid for this time (unless otherwise provided for in the Collective Agreement).
- (b) Employees on shift work shall eat their meals during the shift hours as conditions permit.
- (c) When an employee works extension overtime, no time shall be deducted for eating such meals where the employee eats the meal on the job and in a minimum of time.

⁷ 'Reasonably obtained' is to be defined locally by Union and Management.

8.0 RELIEF WORK, ACTING IN VACANCIES & TEMPORARY AND ROTATIONAL ASSIGNMENTS

All assignments that are expected to last six (6) months or longer will be posted for one week.

8.1 Principles Re Resourcing For Relief, Acting, Temporary and Rotational Assignments

Recognizing that relief, acting and temporary assignments contribute to the development of personnel and contribute to the work being done effectively, the following will be considered when resourcing these assignments:

- the more senior employees will be given preference;
- assignments may be split between employees;
- specific qualifications/knowledge required for the position will be taken into consideration;
- for supervisory positions primary consideration will be given to personal qualities such as leadership and the understanding and display of the practice of good human relations;
- employee development;
- Employment Equity objectives discussed in advance with the Union shall be considered;
- amount of notice and duration of assignment will be considered.

These assignments will be distributed as equitably as possible, over time, once the above conditions have been considered. Circumstances which negate consideration of the above conditions will normally be discussed in advance with the Union.

The format for utilization of the above in a Business Unit (or smaller unit) will be a joint responsibility.

Item 8.1 shall not be subject to the grievance/arbitration procedure.

Disputes will be resolved locally and may be referred to Chief Steward and the Local Manager.

If there is no resolution locally, the Chief Steward obtain a “D” number from the PWU Grievance Office. The PWU Grievance Office will notify the Hydro One Labour Relations Office.

The Chief Steward will complete a fact finder with the Local Manager and if there is still no resolution, the PWU Grievance Office will work with the Hydro One Labour Relations Office to schedule the Dispute to be heard at the next available GRB meeting.

The GRB will attempt to facilitate a resolution to the Dispute. If there is no resolution at the GRB, the PWU Sector Vice-President and designated Hydro One Executive will remain seized of the Dispute and will ensure the “Principles Re: Resourcing for Relief, Acting, Temporary and Rotational Assignments” above are being followed in accordance with the 1992 Joint Intent Document.

8.2 Relief Work

Intent

It is the intent of this item that when an employee is relieving in a higher rated position that he/she be properly compensated for the duties that he/she is performing. The assignment of relief is a Management right and increased duties must be assigned not assumed.

1. The Company shall notify the employee in writing, in advance where possible, of the requirement to perform relief, of the general nature of the major duties to be performed, and the rate to be paid during the relief period.
2. Employees in the weekly-salaried schedule, when relieving for the normal duties of an employee in a higher job grade, not defined in 8.2(3) below, for a period of one full working day or more shall be paid, for the full relief period, at the rate established by the Company for the relieved position or three percent (3%) above the employee’s normal rate whichever is greater.

In relief situations where less than the normal duties are being performed and a lower salary grade has been established for the relief period, the promotion rule will be used to establish the appropriate progression step or off-schedule rate in the lower salary grade.

Failure to notify the employee in writing of the major duties to be performed and the rate to be paid will require the payment of the first step of the salary grade of the relieved position or three percent (3%) above the employee’s normal rate whichever is greater, for the entire relief period.

3. Employees in the weekly-salaried schedule, when relieving for the normal duties of an employee in a non-union supervisory position for a period of one full working day or more shall be paid for the full period at the rate established by the Company for the relieved position or five percent (5%) above the employee’s normal rate whichever is greater.

Failure to notify the employee in writing of the major duties to be performed and the rate to be paid will require the payment of 10 percent (10%) above the employee’s normal rate, for the entire relief period.

4. Notification of the Chief Steward is required when the employee is required to relieve for a period of two working days or more.

5. Statutory holidays will not affect the continuity if they occur between the first and second days.

Payment for a statutory holiday shall be at the relief rate if it occurs during the relief period and at the normal rate if it occurs at the beginning or the end of the relief period.

8.3 Acting in a Vacant Position

An employee may act in an existing job in which a vacancy is created, pending the arrival of a successful applicant to the vacancy. When an employee is to be placed in an acting position, the Company shall notify the employee and the chief steward in writing setting out:

1. The reason for the acting position.
2. The general nature of the major duties to be performed.
3. The rate to be paid for the acting position.
4. The expected duration.

The duration of the acting period shall not exceed 90 days from the date the employee is placed in the acting capacity, unless an extension is agreed to by the Company and the Chief Steward of the Union. Pending the arrival of the successful applicant and his/her assuming the normal duties, the acting incumbent who is performing the normal duties and responsibilities of an acting position shall receive the appropriate rate in accordance with the Weekly-Salaried Relief Clause of this Agreement.

NOTE

Failure to notify and/or request further extension accordingly will require payment of the penalty described in the appropriate Weekly-Salaried Relief Clause of this Agreement.

9.0 HOURS OF WORK

9.1 Hours of Work – General

1. Weekly-salaried employees whose basic hours of work are 35 hours per week may be periodically required to change their work location and to work 40 hours per week or the same hours as field staff. All hours in excess of seven hours per day, Monday to Friday, are to be paid at the appropriate premium rate.
2. Certain technician classifications which have been established on a 40-hour week basis shall continue to work normal hours of 40 hours per week but when on field work may be required to work the same hours as the field staff.
3. Employees⁸ in the following classifications and other similar categories as yet undefined who by the nature of their jobs, are required to make public,

8 The provisions of Article 4.2(c) and the following Hours of Work – Specific will have no application to these employees.

business or trade contacts outside normal hours shall work a normal work week of 35 hours, Monday to Friday:

Applications Technician
Customer Service Assistant
Service Specialist

Owing to the controlling influences from outside agencies, the normally established daily hours of starting and quitting may require changes. In such instances these changes will be the prerogative of the Company.

4. The normal work week of all weekly-salaried employees of the Corporate Mailing Section shall be 35 hours per week consisting of five days of seven hours per day, Monday to Friday inclusive. Such employees shall normally be free to select variable working hours within the period 7:30 am to 5:30 pm in accordance with Subsection 9.3.

Where, in the opinion of the Company, such selections fail to maintain an effective mail service, the Company may establish hours of work between 7:30 am and 4:30 pm for all employees on the basis of weekly work schedules which shall be posted in the work location seven days in advance of their application. Early starting times shall be rotated equitably among the staff.

9.2 Hours of Work – Specific

With the exception of shift work, head office hours shall be a 35-hour week

8:30 am – 12:00 noon (Monday through Friday)

1:00 pm – 4:30 pm (Monday through Friday)

9.3 Variable Working Hours in Head Office

Employees will be requested each month to select their standard work period for the following month. The work week will consist of five, seven-hour days, Monday to Friday. The hours of work selected must be in accordance with the observation of core working hours of 9:00 a.m. to 11:45 and 1:15 to 3:00.

Employees may select a starting time which is not earlier than 7:00 a.m. and not later than 9:00 a.m. or at 1/4 hour intervals prior to that. Their finishing time will not be earlier than 3:00 p.m. They may select either a 30, 45, 60, 75 or 90 minute lunch period to be taken between 11:45 a.m. and 1:15 p.m. By mutual agreement of the supervisor and the employee a start time may be set as early as 6:30 a.m. with a finishing time no earlier than 2:30 p.m.

The hours of work selected are subject to the supervisor's approval. The supervisor may, if necessary, restrict some employees to the hours of 8:30 am to 4:30 pm (for 35 hour per week employees). The supervisor may not assign 35 hour per week

employees to hours of work outside of 8:30 am to 4:30 pm, except as provided for in Part 'D', Section **II** – Overtime.

Where in the Company's opinion, a work unit cannot be operated satisfactorily under variable working hours, they will not be implemented in that unit.

Individual deviation from selected work schedules will require the supervisor's prior approval.

9.4 Hours of Work – Outside Head Office

Hours of work (including variable hours of work) in locations other than head office shall be negotiated by the Company and the Chief Steward of the Union.

Where in the Company's opinion, a work unit cannot be operated satisfactorily under variable working hours, they will not be implemented in that unit.

9.5 Hours of Work – Miscellaneous

The normal weekly hours of work shall be 40 for the following classifications and other similar categories as yet undefined:

- Line Inspectors
- Helicopter Pilots
- Air Engineers

NOTE

Meal allowance will only apply when the employee has worked two hours beyond a normal eight-hour day.

10.0 SHIFT WORK

10.1 Shift Differential and Shift Work

It is recognized that from time to time it may be necessary, due to the nature of the Company's operations, to place certain weekly-salaried day working employees on shift work. Where this occurs, the following provisions will apply:

1. Shift work shall not be implemented for a period of three working days or less. If the working period is three days or less, the appropriate premium rate will be paid for the minimum three-day period.
2. The Company will provide 72 hours' (three calendar days) posted notice of the commencement and termination of a shift. Failure to provide such notice will require a penalty payment of premium rates for all changed hours of work within the notice period.

3. Such a placing on shift work shall not deprive an employee of his/her total number of normal scheduled weekly hours.
4. Revision to the work schedule shall provide for a minimum of 15 hours off between shifts. Failure to provide such time off will require the penalty payment for the first affected shift.
5. Shift differential shall apply to employees required to work on a three-shift schedule or a two-shift schedule and shall not apply for overtime hours.
6. Shift work will be scheduled on a Monday to Friday basis.
7. Work in excess of the total number of normal daily hours will be paid at the appropriate overtime rates.
8. The following shift differentials shall apply:
 - (a) Seventy cents per hour to employees scheduled to work between the hours of 1600 and 2400.
 - (b) One dollar per hour to employees scheduled to work between the hours of 0000 and 0800.
9. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 07:00 and 18:00.

10.2 Shift Work – Microwave Alarm Centre Technicians

These employees shall be covered by the provisions of 10.1 except those listed below.

The following items as set out in Part D will not apply to the position of microwave attendant.

1. Section 9.1: Hours of Work – General
2. Section 9.2: Hours of Work – Specific
3. Section 9.4: Hours of Work – Outside Head Office
4. Section 10.1: Shift Differential and Shift Work
5. Section 11.3 number 4: Payment for Overtime
6. Section 11.4
7. Section 11.2: Minimum Payments – Overtime

The following provisions will also apply to the position of microwave alarm centre technician:

10.2.1 Hours of Work and Schedule Provisions

The content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of attendants at each station for a particular basic type of schedule will be adopted. Such preferences will be made known to the Company prior to commencement of preparation of new schedule.

However, if in the Company's opinion, the efficiency of the station or the health of a technician could be detrimentally affected by the chosen schedule, then the Company will provide the Union (chief steward) with reasons or medical opinions why the desired schedule cannot be implemented.

The preference of individual technicians regarding vacation periods will be considered, providing such preferences are made known prior to commencement of preparation of new schedules.

1. A six-month regular schedule, averaging 40 hours per week, posted one month in advance, will be prepared and posted, indicating the days and hours of work (shift) for each employee. The design of the regular schedule shall provide for a minimum of 16 hours off between shifts.
2. Each employee shall have his/her time balance adjusted to zero at the end of the shift cycle nearest to April 30 and October 31. The actual date for striking the balance is to be indicated on the master schedule at the time of posting. Plus time balances shall be paid for at premium rate.

10.2.2 Schedule Alterations

A minimum of seven days' notice shall be given when an employee's hours of work, as shown on the schedule, are to be changed with the following exceptions:

1. Supernumerary hours of work may be changed within a calendar day to supply relief providing a minimum notice of 16 non-working hours is given before the start of the first affected shift. If sufficient notice cannot be provided, this change will not be made.
2. With a minimum of four days' notice, supernumerary days of work may be interchanged with scheduled days off for purposes of relief, meetings (excluding meetings involving the Union), interviews, short leaves of absence, familiarization trips, training programs and for additional help during heavy work load periods. If more than four weeks separates a scheduled supernumerary day from a scheduled day off or four days' notice cannot be given then these may not be interchanged.

3. In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

10.2.3 Penalties

Failure to comply with the notice provisions set out in Subsection 10.2.1(1) and 10.2.2 above shall require the payment of appropriate premium rates until the notice period has elapsed.

NOTE

In the above revisions every effort will be made by the Company to maintain the minimum of 16 hours off between shifts. However, where it is necessary to do so and with the appropriate notice, less than 16 hours off between shifts may be scheduled. These short changes will be limited to two changes per employee for a posted master schedule.

10.2.4 Overtime Definitions

Prearranged Overtime: Work performed outside normal scheduled hours for which notification must be given a minimum of 48 hours in advance, for which time shall be counted from the time the employee reports at his/her headquarters until he/she finishes work at headquarters. In the case of failure to give 48 hours' notice such overtime shall be considered extension or emergency overtime and subject to provisions below.

Extension Overtime: Extension overtime covers work performed outside of normal scheduled hours as continuation or extension of the normal work period in order to complete necessary specific jobs during that work period and for which time shall be counted from normal quitting time until the employee finishes work less any assigned meal periods.

Emergency Overtime: Work outside normal scheduled hours for which there is no prearrangement, or which cannot be considered extension overtime. Such time will be counted from when the employee reports for work at the station until he/she finishes work at the station.

10.2.5 Minimum Payments

1. When minimum payments do not apply, one hour at straight time will be paid in lieu of time spent travelling.
2. All emergency overtime worked shall receive a minimum payment of four hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater. Time shall be counted from the time the employee arrives at his/her regular work headquarters until he/she finishes work at that headquarters.

3. All prearranged work outside normal hours performed or reported for due to lack of notice of cancellation on a scheduled day of work shall receive a minimum of two hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater.
4. All prearranged work performed or reported for due to lack of notice of cancellation on a scheduled day off shall receive a minimum of four hours' straight time pay or the actual time worked at the appropriate overtime rate, whichever is the greater.
5. All prearranged overtime work cancelled within 48 hours of the designated work commencement time shall require payment of two hours at the basic rate to all affected employees.

10.2.6 Special Provisions Concerning Overtime

An employee who is required to work continuously for more than 16 hours shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until an eight-hour rest period is granted.

10.2.7 Premium Payments

The computing of hourly rates for overtime shall be in accordance with the following:

The basic weekly rate of each employee's classification as set out in salary schedule 20, without any increments, premiums or bonuses, shall be divided by 40.

10.2.7.1 Unscheduled Work

As per Part D Item 11.3(1) and (2), paragraphs 1 and 2.

10.2.7.2 Scheduled Work

One and one-half times the employee's basic rate shall be paid for all hours worked on Saturday, Sunday and statutory holidays which occur Monday to Friday inclusive.

Two times the employee's basic rate shall be paid for all hours worked on a statutory holiday which occurs on Saturday.

NOTE

These employees shall receive entitlement for the same number of statutory holidays as Monday-Friday, day-working, weekly-salaried employees. Therefore, when a statutory holiday falls on a Saturday, statutory holiday credit shall not apply.

10.2.8 Shift Differential

A shift differential of 70 cents per hour shall be paid to employees who are scheduled to work between the hours of 1600 and 2400.

A shift differential of 1 dollar per hour shall be paid to employees who are scheduled to work between the hours of 0000 to 0800. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between the hours of 0700 and 1800.

The appropriate shift differential shall be paid for the first eight hours of each scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment for shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential.

10.3 Shift Work – CADS Personnel

The provisions of this Agreement shall apply to those employees hired after April 1, 1980 and designated by the Company as being required to work shift work to operate the Computer Aided Drafting System (CADS).

1. Employees hired prior to April 1, 1980 will have their day status protected until such time as they apply for and are accepted to a position requiring shift work. Every effort will be made to provide these employees with exposure to CADS work during day hours.
2. Future vacancy notices will identify whether or not shift work is a requirement. The number of shift positions which will be advertised will not exceed that required for the economic utilization of the terminals. Shift positions will be comprised of intermediate, senior and design draftspersons.
3. Applicants to advertised vacancies will not be denied promotion due to the lack of opportunity for training on CADS equipment.
4. Employees who are selected to vacancies which are identified as requiring shift work will be subject to the provisions of this Agreement.
5. Day status employees may volunteer for a trial period of shift work after which time they may either apply for a shift position when vacant or retain their day status as in 1. above.

The provisions of Part ‘D’ (Weekly-Salaried) of the Collective Agreement shall apply with the exception of:

1. Section 9.2: Hours of Work – Specific
2. Section 10.1: Shift Differential and Shift Work

The following items will apply to the employees working with the CADS:

10.3.1 Hours of Work – Day Work

Employees as defined in this Agreement, may be required to work on “day work”. Day work may include assignments to conventional drafting or to CADS equipment. When employees are transferred to or from day work a minimum of seven days’ notice shall be given. When working day work the provisions of Part ‘D’ (Weekly-Salaried) shall apply.

10.3.2 Working Conditions – Shift

10.3.2.1 Work Schedules

Although the content, preparation, posting and administration of shift schedules is the sole responsibility of the Company, the preference of the majority of shift workers for a particular basic type of schedule will be adopted, provided it meets the requirements of the Company for effective operation of the system.

A shift schedule covering a nine week period will be posted a minimum of 14 days before its effective date. The schedule will show the days, hours of work (shifts) for each employee.

For purposes of this Agreement, the shift schedule shall be comprised of an afternoon and/or night shift in addition to day work. The shift rotation guidelines shall permit an employee to remain on one specific shift for a maximum period of three consecutive weeks without rotation. Assignments to day work are not subject to this limitation.

The design of the schedule will provide for a minimum of 14 hours off between shifts.

10.3.2.2 Hours of Work – Specific

The normal hours of work will be seven hours per day, 35 per week on a Monday to Friday basis.

The shift work hours shall be as follows:

1. Afternoon – 1630 – 2330 hours
2. Night – 0000 – 0700 hours

10.3.3 A minimum of seven days’ notice shall be given when an employee’s hours of work as shown on the schedule are to be changed.

In the case of illness, which would result in a staff shortage, four (4) days' advance notice will be given when placing an employee on shift.

10.3.4 Failure to comply with the notice provisions set out in Section 10.3(1) and (3) of this Agreement shall require the payment of appropriate premium rates for all full shifts worked until the notice period has elapsed.

10.3.5 Shift Differential

A shift differential of 70 cents per hour shall be paid to employees who work scheduled hours between 1630 and 2330.

A shift differential of 1 dollar per hour shall be paid to employees who work scheduled hours between 0000 and 0700. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between 0700 and 1800.

The appropriate shift differential shall be paid for the scheduled shift on any regular scheduled day of work and shall not apply for any overtime hours. When premium time is involved for payment for shift work, the premium rate shall be computed on the standard basic rate, excluding shift differential.

10.3.6 Shift work will not be scheduled on statutory holidays Monday to Friday.

10.4 Shift Work – Technical Staff (Instructor)

10.4.1 Applicability

This section covers the following classification: Instructor.

10.4.2 Intent

The intent of this section is to provide a framework within which employees in the above named classifications may be assigned to shift work on a Monday to Friday basis for limited periods of time. The “limited period” is to be less than three months in each year for each employee unless the employee involved specifically consents to an extension.

10.4.3 Implementation

When shift work is required, management will solicit preferences for shift work from the employees in the required classifications. If employees with the required skill, knowledge, experience, etc., indicate a preference for shift work, management will select from among these employees. If insufficient qualified volunteers are available, management will assign the shift work to qualified employees, endeavouring to minimize personal inconvenience.

10.4.4 Duration of Shift Hours

The employees who may be required to work shifts under this section include both 35 and 40 hour per week positions. They will work a time balanced schedule.

Forty hour per week employees when assigned to shift work will work the same hours as regular shift workers on shift.

Thirty-five hour per week employees when assigned to shift work will normally work seven-hour shifts. This may, at management's discretion, be increased to eight-hour shifts.

10.4.5 Special Provisions When on Shift

1. Shift work shall not be implemented for a period of three working days or less. If the working period is three days or less, the appropriate premium rate will be paid for the minimum three-day period.
2. The Company will provide 72 hours' (three calendar days) posted notice of the commencement and termination of a shift. Failure to provide such notice will require a penalty payment of premium rates for all changed hours of work within the notice period.
3. Such a placing on shift work shall not deprive an employee of his/her total number of normally scheduled weekly hours.
4. Revision to the work schedule shall provide for a minimum of 15 hours off between shifts. Failure to provide such time off will require the penalty payment for the first affected shift.
5. Shift differential shall apply to employees required to work on a three-shift schedule or a two-shift schedule and shall not apply for overtime hours. Regular part-time and temporary part-time employees will not be eligible for shift differential when the shift starts and ends between 0700 and 1800.
6. Work in excess of the total number of normal daily hours will be paid at the appropriate overtime rates.

10.4.6 Deleted Provisions When on Shift

When an individual is assigned a shift and the provisions of 10.4.5 are in effect, the following provisions of Part 'D' will not apply:

1. Section 9.1: Hours of Work – General
2. Section 9.2: Hours of Work – Specific
3. Section 9.4: Hours of Work – Outside Head Office

11.0 OVERTIME PROVISIONS

Due to the nature of the Company operations, some employees will be required to work overtime. Overtime will be minimized and managed within the limits of corporate effectiveness and customer impact. In recognition of employee well-being

and inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees.

11.1 Overtime Definitions

Overtime: Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Prearranged Overtime: Work performed outside the normal scheduled hours for which notification must be given a minimum of 24 hours in advance (21 hours for computer sub-branch shift working employees). Time shall be counted from the time the employee reports for work until the employee finishes work. Where this advance notice is not given, overtime shall be considered as emergency overtime.

Emergency Overtime: Work performed outside the normal scheduled hours which is neither prearranged nor extension overtime. Time shall be counted from the time the employee reports for work until the employee finishes work.

Extension Overtime: Work performed outside the normal scheduled hours as an extension of the normal scheduled hours/shift (either immediately preceding or following the normal scheduled hours/shift). Time shall be counted from the time the employee reports for work until normal starting time or from normal quitting time until the employee finishes work. Extension overtime will not be used for controllers/dispatchers/trainees where coverage is required for a complete shift and a controller/dispatcher/trainee is available.

11.2 Minimum Payments

All Part 'D' weekly-salaried employees who are called out to work overtime with or without notice shall receive the following:

When minimum payments apply no travel allowance will be paid.

1. All prearranged overtime performed or reported for due to lack of notice of cancellation, Monday to Friday inclusive, shall receive a minimum of two hours at straight time or the actual time worked at the appropriate premium rates, whichever is the greater.
2. All prearranged overtime cancelled with 48 hours of the designated time of work commencement shall require payment of two hours at straight time.
3. All prearranged overtime performed or reported for due to lack of notice of cancellation on Saturdays, Sundays and statutory holidays shall receive a minimum payment of four hours at straight time or the actual time worked at the appropriate premium rates, whichever is the greater.

4. This shall not apply where the overtime period commences on a Saturday, Sunday or statutory holiday, as part of a longer overtime period continuing into the next calendar day.
5. All emergency overtime work shall receive a minimum payment of four hours at straight time or the actual time worked at the appropriate premium rate, whichever is the greater, providing short emergency calls are not repeated within one hour of the completion of a previous call for which the four-hour minimum was paid.

If the call-out occurs less than two hours before the commencement of normal starting time, the minimum will not apply and the appropriate premium rate will be paid continuously from the call-out time until normal starting time.

6. Minimum payments will not apply to concrete inspectors required to work up to two and one-half hours overtime on Friday unless an extra trip to work is required.

11.3 Premium Payments

Overtime, as used herein, means that part of the actual working time which is outside the normal scheduled hours, and is therefore, subject to compensation at premium rates.

Premium payment for overtime shall be as follows:

1. One and one-half times the employee's basic rate shall be paid for all work performed during the first two clock hours (***one hour effective March 31, 2016***) after normal quitting time, Monday to Friday inclusive. It will also apply to the first two hours (***one hour effective March 31, 2016***) of overtime worked on an unscheduled day of work.
2. Two times the employee's basic rate shall be paid for:
 - All work performed outside of the first two hours (***one hour effective March 31, 2016***) after normal quitting time, Monday to Friday inclusive, and after the first two hours (***one hour effective March 31, 2016***) on an unscheduled day of work.
 - All work performed on Saturday, Sunday and statutory holidays which occur Monday to Friday.
3. Overtime rates shall be computed by dividing the employee's basic weekly salary by his/her normal weekly hours of work.

4. Helicopter pilots and line maintenance supervisors (helicopters) whose hours of work are dependent upon weather conditions and other variables inherent in the nature of their jobs do not, except as noted below, receive payment in money for overtime. Compensation for overtime worked shall be made in the form of time off with pay. This time off shall be determined on the basis of one and one-half hours off for each hour worked during the first two (2) clock hours (*one hour effective March 31, 2016*) after normal quitting time. For overtime worked outside the first two (2) clock hours (*one hour effective March 31, 2016*) after normal quitting time or on Saturdays, Sundays and Statutory Holidays time off shall be at two hours for each hour worked. Time off will be at a time convenient to the Company and the employee. The Company may assign time off to reduce the overtime bank up to twelve (12) days (8 hours per day) per employee per calendar year. Any balance beyond twelve (12) days (8 hours per day) shall be paid at the appropriate rate on the next pay period after April 30th and August 31st. The equivalent time off shall reach a zero balance during the month of December each year.

In the event that this is not accomplished, all outstanding overtime as of December 31 shall be paid for at the appropriate rates. When it is accomplished, any further occurrence of overtime between the date of zero balance and December 31 will be subject to accumulation if necessary and considered for the following year.

11.4 Special Provisions Concerning Overtime

1. In order to alleviate excessive inconvenience, an effort shall be made to equitably distribute overtime amongst all qualified employees. Where employees feel they have been assigned abnormal amounts of overtime, consideration of such cases shall be considered fit matter for discussion at local level.
2. The Company agrees to control excessive authorized overtime by restricting actual overtime to not more than 12 hours per week, excluding travelling time. Under extraordinary circumstances, the Union will consider waiving the restrictive features of this clause.
3. A travelling allowance up to a maximum of one hour shall be paid at the appropriate overtime rate when an employee is called in to work overtime and an extra trip is involved. See also Section 11.2.
4. Because an employee was required to work overtime or because he/she lost time in changing shifts, he/she shall not be prevented from working his/her total number of normal daily hours in any normal scheduled day of work. If the employee cannot be supplied with the work required to make up the normal daily hours of work in that day, his/her pay shall be adjusted to provide a minimum of his /her normal weekly hours of work.

5. If an employee who has worked overtime and is physically capable and the group of which he/she is ordinarily a member is at work, he/she shall not be deprived of the opportunity of working his/her normal scheduled hours in addition to the overtime he/she may have worked.
6. An employee who has accumulated overtime hours shall receive this in earnings, calculated at the appropriate premium rate and cannot be required to take time off in lieu of payment.
7. An employee who is required to work continuously for more than 16 hours or an employee who accumulates 16 hours of working time in any 24 hour period shall be entitled to an eight-hour rest period. Time spent for meals may be deducted from the total elapsed time but is not to be considered as breaking the continuity of the hours worked.

If the rest period extends into the employee's normal scheduled hours of work, he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. This is in addition to the overtime worked.

Should he/she be required to continue working beyond 16 hours he/she shall be paid two times his/her normal basic rate until an eight-hour rest period is granted. Should an employee be released before 16 hours have elapsed, he/she will not be entitled to an eight-hour rest period, and his/her right to continue work at straight time will be governed by Section 11.4(5).

8. An employee on day work who is required to work 4 but less than 6 accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to a 4 hour rest period.
9. An employee on day work who is required to work 6 or greater accumulative overtime hours between the hours of 2300 and 0700 shall be entitled to an 8 hour rest period.
10. If the rest period in 8 and 9 above extends into the employee's normal scheduled hours of work, he/she shall be paid at straight time rates for the portion of the rest period which extends into the normal scheduled hours. Should the employee be required to continue working during normal scheduled hours, the employee shall be paid at two times his/her normal basic rate until the rest period is granted.

None of the provisions of Subsections 11.4(1), (2), (4), (5) and (6) is applicable to employees referred to in Section 9.1(4).

11.5 Overtime – Regular Part-Time and Temporary Part-Time Employees

Overtime is defined as:

- (a) Hours worked which are in excess of the normal daily hours of the classification. The premium payment for such work is one and one-half times the employee's basic rate for all work performed during the first two clock hours (*one hour effective March 31, 2016*) after the normal quitting time of the classification, and two times the employee's basic rate for all work performed outside of the first two clock hours (*one hour effective March 31, 2016*) after the classification's normal quitting time.

and/or

- (b) Hours worked in excess of 24 in a week. The premium payment for such work is one and one-half times the employee's basic rate for the first two hours (*one hour effective March 31, 2016*) worked in a day. Two times the employee's basic rate for all work performed in excess of two hours (*one hour effective March 31, 2016*) in a day.

and/or

- (c) Unscheduled hours worked on Saturday and Sunday. The premium payment for unscheduled hours worked on Saturday and Sunday is two times the employee's basic rate.

11.6 Equivalent Time Off Without Pay

See Part 'A' Section 10.2

11.7 Overtime – Marketing and Audio, Visual, Writing and Graphic Design Services

Employees identified in Part D Section 9.1(4) and Audio, Visual, Writing and Graphic Design Services employees shall be paid for all overtime work performed in accordance with Section 11.3.

Employees identified in Part D Part A Section 9.1(4) and Audio, Visual, Writing and Graphic Design Services employees who, by the nature of their jobs, are required to make public, business or trade contacts outside normal hours may, where mutually agreed between the employee and the supervisor, take time off in lieu of payment for overtime. Where it is agreed that time off in lieu will be taken, such time will be credited on a premium basis in the same manner as would apply if payment had been made. Such time off must be arranged within a two-month period following the date overtime was worked. If this cannot be arranged within the two-month period, payment shall be made.

TIME ENTITLEMENT – INFORMATION MANAGEMENT FACILITIES

	Monday to Friday	Saturday	Sunday	Statutory Holiday Monday to Friday	Statutory Holiday Saturday
Scheduled Hours of Work	Straight Time	Straight Time	Time and one-half	Time and one-half plus statutory holiday credit	Time and one-half
Non-Scheduled Hours of Work	First two clock hours worked after normal quitting time at one and one-half times (<i>one hour effective March 31, 2016</i>). All other hours worked at 2 times.	Double Time	Double Time	Double time plus statutory holiday credit	Double Time
Scheduled Day Off	No Entitlement	No Entitlement	No Entitlement	Statutory Holiday Credit	No Entitlement

TIME ENTITLEMENT – MICROWAVE ALARM CENTRE TECHNICIANS

	Monday to Friday	Saturday	Sunday	Statutory Holiday Monday to Friday	Statutory Holiday Saturday
Scheduled Hours of Work	Straight Time	Time and one-half	Time and one-half	Time and one-half plus statutory holiday credit	Double Time
Non-Scheduled Hours of Work	First two clock hours after normal quitting time at one and one-half times (<i>one hour effective March 31, 2016</i>). All other hours worked at 2 times.	Double Time	Double Time	Double time plus statutory holiday credit	Double Time
Scheduled Day Off	No Entitlement	No Entitlement	No Entitlement	Statutory Holiday Credit	No Entitlement

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
WEEKLY DOLLARS

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,238.31	2,309.74	2,381.18
67	2,111.62	2,179.01	2,246.40
66	1,992.28	2,055.87	2,119.45
65	1,879.95	1,939.95	1,999.95
64	1,774.09	1,830.71	1,887.33
63	1,674.43	1,727.87	1,781.31
62	1,580.61	1,631.06	1,681.50
61	1,492.24	1,539.87	1,587.49
60	1,408.99	1,453.96	1,498.93
59	1,330.64	1,373.10	1,415.57
58	1,253.06	1,293.05	1,333.04
57	1,180.12	1,217.79	1,255.45
56	1,111.33	1,146.80	1,182.27
55	1,046.60	1,080.00	1,113.40
54	985.64	1,017.09	1,048.55
53	928.22	957.85	987.47
52	874.17	902.07	929.97
51	823.21	849.49	875.76

This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
 Effective: April 1-2015

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
WEEKLY DOLLARS

GRADE	TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
LIBRARIANS							
02	Librarian	1,577.00	1,617.00	1,707.00	1,737.00		
HELICOPTER POSITIONS							
21	Air Engineer	1,823.02	1,861.64	1,896.40	1,931.16		
22	Helicopter Pilot	2,426.68	2,541.57	2,673.27	2,802.17		
24	Helicopter Maintenance Inspector	2,008.54	2,046.08	2,085.71			
AUDIO-VISUAL, WRITING AND GRAPHIC							
33	Editorial Assistant	1,244.29	1,333.17	1,423.58	1,532.38		
34	Artist	1,319.85	1,463.02	1,586.57	1,712.08	1,835.64	1,961.15
41	Assistant Environment Specialist	1,648.86	1,751.91	1,854.96	1,958.02	2,061.07	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
 Effective: April 1-2015

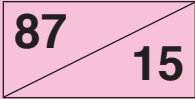
HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
WEEKLY DOLLARS

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
COMMUNITY COLLEGE STUDENTS		1st year	2nd year	3rd year			
21	Group 2 - Community College and Polytechnical	768.50	858.97	948.02			
		1st or					
		2nd Term	3rd Term	4th Term	5th Term		
22	Group 3 - Community College and Polytechnical Co-Op Programs	768.50	813.00	903.52	948.02		
UNIVERSITY STUDENTS		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
		1st year	2nd year	3rd year	4th year		
31	Group 4 - University	802.64	948.02	1,094.87	1,240.28		
		1st or					
		2nd Term	3rd Term	4th Term	5th Term	6th Term	7th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	28 mo
32	Group 5 - University Co-Op Programs	802.64	875.31	1,022.19	1,094.87	1,167.61	1,240.28

NOTES:

1. This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.
2. Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
3. Students will normally be required to join the PWU within 15 days.
4. The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - 4.1 Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
 - 4.2 When a student is placed in a Clerical-Technical position for which a wage or salary grade has been established, the student shall be paid the rate for that position.
5. Allowance will be paid to a summer student in accordance with the normal practice for the setting in which the student works.

Hydro One Labour Relations
 Effective: April 1-2015



**HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
WEEKLY DOLLARS**

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	623.13
02	2nd year of employment	675.02

Hydro One Labour Relations
Effective: April 1-2015

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
WEEKLY DOLLARS

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,260.69	2,332.84	2,404.99
67	2,132.73	2,200.79	2,268.86
66	2,012.20	2,076.42	2,140.64
65	1,898.75	1,959.35	2,019.95
64	1,791.83	1,849.01	1,906.20
63	1,691.17	1,745.15	1,799.12
62	1,596.42	1,647.37	1,698.32
61	1,507.16	1,555.26	1,603.36
60	1,423.08	1,468.50	1,513.92
59	1,343.95	1,386.84	1,429.73
58	1,265.59	1,305.98	1,346.37
57	1,191.92	1,229.96	1,268.00
56	1,122.44	1,158.27	1,194.09
55	1,057.06	1,090.79	1,124.53
54	995.50	1,027.27	1,059.04
53	937.50	967.42	997.34
52	882.91	911.09	939.27
51	831.45	857.98	884.52

This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
 Effective: April 1-2016

HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
WEEKLY DOLLARS

GRADE	TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
LIBRARIANS							
02	Librarian	1,593.00	1,633.00	1,724.00	1,754.00		
HELICOPTER POSITIONS							
21	Air Engineer	1,841.24	1,880.25	1,915.36	1,950.47		
22	Helicopter Pilot	2,450.94	2,566.98	2,700.00	2,830.19		
24	Helicopter Maintenance Inspector	2,028.63	2,066.55	2,106.57			
AUDIO-VISUAL, WRITING AND GRAPHIC							
33	Editorial Assistant	1,256.73	1,346.50	1,437.81	1,547.70		
34	Artist	1,333.05	1,477.65	1,602.43	1,729.20	1,853.99	1,980.76
41	Assistant Environment Specialist	1,665.34	1,769.43	1,873.51	1,977.60	2,081.68	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
 Effective: April 1-2016

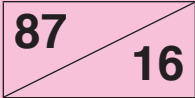
HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
WEEKLY DOLLARS

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>		
	COMMUNITY COLLEGE STUDENTS	1st year	2nd year	3rd year			
21	Group 2 - Community College and Polytechnical	776.19	867.56	957.50			
		1st or					
		2nd Term	3rd Term	4th Term	5th Term		
22	Group 3 - Community College and Polytechnical Co-Op Programs	776.19	821.13	912.56	957.50		
		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
	UNIVERSITY STUDENTS	1st year	2nd year	3rd year	4th year		
31	Group 4 - University	810.67	957.50	1,105.82	1,252.68		
		1st or					
		2nd Term	3rd Term	4th Term	5th Term	6th Term	7th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	28 mo
32	Group 5 - University Co-Op Programs	810.67	884.06	1,032.41	1,105.82	1,179.29	1,252.68

NOTES:

1. This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.
2. Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
3. Students will normally be required to join the PWU within 15 days.
4. The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - 4.1 Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
 - 4.2 When a student is placed in a Clerical-Technical position for which a wage or salary grade has been established, the student shall be paid the rate for that position.
5. Allowance will be paid to a summer student in accordance with the normal practice for the setting in which the student works.

Hydro One Labour Relations
Effective: April 1-2016



**HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
WEEKLY DOLLARS**

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	629.36
02	2nd year of employment	681.77

Hydro One Labour Relations
Effective: April 1-2016

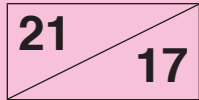
HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 20
CLERICAL/TECHNICAL/TECHNOLOGIST
WEEKLY DOLLARS

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>
68	2,283.30	2,356.17	2,429.04
67	2,154.06	2,222.80	2,291.55
66	2,032.33	2,097.19	2,162.05
65	1,917.74	1,978.95	2,040.15
64	1,809.74	1,867.50	1,925.26
63	1,708.08	1,762.60	1,817.11
62	1,612.38	1,663.84	1,715.30
61	1,522.23	1,570.81	1,619.39
60	1,437.32	1,483.19	1,529.06
59	1,357.39	1,400.71	1,444.03
58	1,278.24	1,319.04	1,359.83
57	1,203.84	1,242.26	1,280.68
56	1,133.67	1,169.85	1,206.03
55	1,067.63	1,101.71	1,135.78
54	1,005.45	1,037.54	1,069.63
53	946.87	977.09	1,007.31
52	891.74	920.20	948.66
51	839.77	866.57	893.37

This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.

NOTE: All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
 Effective: April 1-2017



**HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 21
BARGAINED RATE - WEEKLY SALARIED POSITIONS
WEEKLY DOLLARS**

GRADE	TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
LIBRARIANS							
02	Librarian	1,609.00	1,650.00	1,742.00	1,772.00		
HELICOPTER POSITIONS							
21	Air Engineer	1,859.65	1,899.05	1,934.51	1,969.97		
22	Helicopter Pilot	2,475.45	2,592.65	2,727.00	2,858.49		
24	Helicopter Maintenance Inspector	2,048.92	2,087.21	2,127.64			
AUDIO-VISUAL, WRITING AND GRAPHIC							
33	Editorial Assistant	1,269.30	1,359.97	1,452.19	1,563.18		
34	Artist	1,346.38	1,492.43	1,618.46	1,746.50	1,872.53	2,000.57
41	Assistant Environment Specialist	1,682.00	1,787.13	1,892.25	1,997.38	2,102.50	

Librarians, Grades 02 are rounded to the nearest whole dollar.

All progressions shall be in accordance with Item 3 of Part A.

Hydro One Labour Relations
Effective: April 1-2017

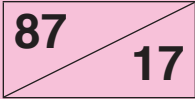
HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 86
UNDERGRADUATE UNIVERSITY, COMMUNITY COLLEGE
AND ASSOCIATED CO-OP PROGRAMS
WEEKLY DOLLARS

<u>GRADE</u>	<u>TITLE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>		
	COMMUNITY COLLEGE STUDENTS	1st year	2nd year	3rd year			
21	Group 2 - Community College and Polytechnical	783.95	876.24	967.08			
		1st or					
		2nd Term	3rd Term	4th Term	5th Term		
22	Group 3 - Community College and Polytechnical Co-Op Programs	783.95	829.34	921.69	967.08		
		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
	UNIVERSITY STUDENTS	1st year	2nd year	3rd year	4th year		
31	Group 4 - University	818.78	967.08	1,116.88	1,265.21		
		1st or					
		2nd Term	3rd Term	4th Term	5th Term	6th Term	7th Term
		4 or 8 mo	12 mo	16 mo	20 mo	24 mo	28 mo
32	Group 5 - University Co-Op Programs	818.78	892.90	1,042.73	1,116.88	1,191.08	1,265.21

NOTES:

1. This schedule is applicable to positions established as having a 35, 37-1/2, or 40-hour basic work week.
2. Appropriate experience (other than previous summer work) can justify a higher rate than the academic year of the student in question.
3. Students will normally be required to join the PWU within 15 days.
4. The grade and corresponding rate paid to the student is based on the academic term that the student has successfully completed, rather than actual work activities. The exceptions are:
 - 4.1 Students who are hired into an hourly-rated position will be paid the applicable hourly rate.
 - 4.2 When a student is placed in a Clerical-Technical position for which a wage or salary grade has been established, the student shall be paid the rate for that position.
5. Allowance will be paid to a summer student in accordance with the normal practice for the setting in which the student works.

Hydro One Labour Relations
 Effective: April 1-2017



**HYDRO ONE
POWER WORKERS' UNION COLLECTIVE AGREEMENT
SALARY SCHEDULE 87
SUMMER STUDENTS
WEEKLY DOLLARS**

<u>GRADE</u>		<u>STEP 1</u>
01	1st year of employment	635.65
02	2nd year of employment	688.59

Hydro One Labour Relations
Effective: April 1-2017

APPENDIX “A”

**for Construction and
Supplementary Maintenance**

made and entered into

BETWEEN

**HYDRO ONE INC.
(the “Employer”)**

and

**POWER WORKERS’ UNION (PWU)
(hereinafter called the “Union”)**

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SECTION 1 PREAMBLE

100

WHEREAS the Union, as defined in the covering page of this Collective Agreement, has in its membership competent, skilled and qualified workers to perform the work coming within scope of this agreement; and

WHEREAS Hydro One Inc. and the Union desire to mutually establish and stabilize wages, hours and working conditions for all employees of Hydro One Inc. performing construction and supplementary maintenance work and further, to encourage closer co-operation and understanding between Hydro One Inc. and the Union to the end that a satisfactory, continuous and harmonious relationship will exist between the parties to this Agreement.

NOW THEREFORE, The Company and the Union mutually agree that the working conditions as set out below shall be applicable to these employees of Hydro One Inc.

SECTION 2 SCOPE OF AGREEMENT

200

- A. Hydro One Inc. recognizes the Union as the sole bargaining agent for all employees who perform construction and maintenance work save and except that work which is performed by other unions within the scope clauses of their current Collective Agreements with Hydro One Inc.

- B. This section applies to all work as defined in A. above save and except that work which is performed by PWU regular employees as defined in the main agreement and shall include the following classifications:
 - Electrician Journeyperson including senior forepersons, forepersons and sub-forepersons
 - Electrician Apprentice
 - Electrical Forester – Journeyperson including senior foreperson, forepersons and sub-forepersons
 - Electrical Forester – Apprentice
 - Electrical Forester – Skidder Operator, including senior foreperson, forepersons and sub-forepersons
 - Electrical Forester – Labourer including senior foreperson, forepersons and sub-forepersons
 - Linepersons (formerly lineman) including senior forepersons, forepersons and sub-forepersons
 - Line Apprentice

- Communication Electrician including senior foreperson, forepersons and sub-forepersons
- Mechanical Trades Persons including senior foreperson, forepersons and sub-forepersons
- Mechanical Trade Apprentice
- Civil Trade Apprentice
- Civil Trades Persons including senior forepersons, forepersons and sub-forepersons
- General Helper
- Meter Reader
- Meter Reader ‘B’
- Stockkeeper
- Operator 1, 2, 3
- Meter Reader Data Collector
- Cable Splicer
- Protection and Control Technologist
- Civil Uncertified – Lines
- Civil Uncertified – Stations Services

Such other classifications subsequently agreed to by the parties.

An employee of any classification required to operate vehicles or work equipment shall have a current license as required by provincial legislation.

Additional Classifications:

On the request of the Hydro One Inc. Vice President Labour Relations, or the PWU Sector Vice President, the parties will meet to discuss the merits of adding any new classifications.

The parties will consider adding a classification when:

1. Work is required in the classification and,
2. Regular employees are not available to perform the work and,
3. The work is not ongoing in nature.

Nothing in this clause limits the current right of Hydro One Inc. to hire temporary employees in those classifications not included in Appendix “A”.

- C. The Union recognizes Hydro One Inc. as the exclusive Employer agency for this Agreement, and in all matters pertaining to the administration of this Agreement.

- D. The term “employee” refers to all casual employees of the Employer in the classifications as set out in Item B above.
- E. A sub-foreperson is an individual who exercises some supervisory responsibility and may use the tools of the trade.
- F. The term “Employer” shall mean Hydro One Inc.

201

- A. This Agreement shall be deemed to include any additional Appendix and/or wage schedule added, as the said appendices and/or wage schedules may be revised by Hydro One Inc. and the Union by mutual agreement, from time to time.

202

Geographic Jurisdiction

- A. The jurisdiction of the Union is all of Hydro One Inc.

SECTION 3 MID-TERM AGREEMENT

302

- A. This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto.

SECTION 4 WORK ASSIGNMENT

400

- A. No Construction and/or supplementary maintenance work for Network Services shall be contracted or subcontracted except where Network Services does not normally perform the work of the Mechanical and/or Civil Trades, such work may be contracted or subcontracted.
- B. Hydro One Inc. will provide notice to the Union as far in advance as possible of all new work coming under the scope of this Appendix and all related contracted or subcontracted work.
- C. The jurisdiction of the Union shall be as described in Section 2 of this Appendix.
- D. The jurisdiction of each classification shall be established by the Union.

SECTION 5 UNION RIGHTS AND REPRESENTATIVES

501

- A. The Union will designate Union representatives as Accredited Union Representatives to handle the day-to-day administration of this Agreement. The Union will notify Hydro One Inc. Management in writing of the names of such

Union representatives, or alternates in the event of illness or unavailability, so that they may be issued identification cards to permit entry to work locations. Upon entering the work location, such representatives after identifying themselves to the Hydro One Inc. representative will be free to observe the progress and conduct of the work and to conduct normal Union business associated with the administration of this Collective Agreement. The Union undertakes that these representatives will not unduly interfere in any way with said work.

502

- A. The Union reserves the right to appoint or remove any Steward or Senior Steward on any work site where workers are employed under the terms of this Agreement. If a Steward is transferred to another worksite, and they will continue to be recognized as a Steward unless there is another Steward on that site. In such cases, the transferred Steward will not be recognized unless the Employer is notified by the Union.
- B. The Hydro One Inc. Representative shall be notified in writing when a Steward or Senior Steward is appointed and when such Stewards cease to act as Stewards.
- C. The Steward will be responsible for his/her regularly assigned work on behalf of his/her Employer.
- D. Such Stewards shall be allowed sufficient time to see that the provisions of this Agreement are observed.
- E. No Steward shall be discriminated against by the Employer because of the performance of their duties as a Steward.
- F. Provided he/she is qualified to do the work, a Steward who is working at a worksite where overtime is being worked shall be given the first opportunity to work on that overtime work.

Provided he/she is qualified to do the work, a Steward who is working in a work group where overtime is being worked on Saturdays, Sundays or Recognized Holidays shall be given the first opportunity to work.
- G. Where appropriate as decided by the Union and where more than one Steward is required, one Steward shall be appointed Senior Steward.
- H. The Senior Steward, providing he/she is qualified to perform the work, shall not have their employment terminated or

be transferred without the consent of the Accredited Union Representative until as near as possible to the completion of the job, unless with just cause. Where an Employer has only one Steward appointed for a job, such Steward will receive the same consideration given a Senior Steward as noted above.

I. The Employer shall notify the Union prior to transferring a Steward to another Superintendent.

503

A. Any worker acting as the designated or certified Health & Safety representative or alternate as defined by the Occupational Health & Safety Act shall be treated the same as Senior Stewards for purposes of layoff. Providing he/she is qualified to perform the remaining work, the designated certified Health & Safety representative or certified alternate shall be the last to be laid off prior to the Senior Steward.

B. If management feels that any Health and Safety representative is not discharging his/her health and safety duties in a manner that follows the intent and spirit of the legislation, the Employer may refer the issue to the Joint Committee referred to in Section 15 for resolution. If the matter cannot be resolved by the Joint Committee, the grievance procedure may be invoked.

SECTION 6 EMPLOYEE DESIGNATION

600

A. It is understood that senior forepersons, forepersons and sub-forepersons hold responsible positions in the relationship between the Employer and the Union. Both parties agree that every effort should be made to recruit and retain senior forepersons, forepersons and sub-forepersons who have a high degree of efficiency in the performance of their jobs and in the handling of their workers. Recognizing the responsibilities involved in performing supervisory duties and being a member of the Union, the Employer and the Union will make every effort to minimize problems that may arise which concern the relationship between the foreperson, senior forepersons and sub-forepersons, the Employer, and the Union.

B. The parties recognize the responsibilities of senior forepersons and forepersons to discharge their supervisory duties. If the Union feels that the senior foreperson and foreperson is not discharging his/her supervisory duties in a manner that is fair and equitable, or if an Employer feels that the Union is

interfering with the senior foreperson or foreperson in the performance of his/her supervisory duties, the Employer or the Union may refer the problem to the Joint Committee referred to in Section 15 – Committees, Subsection 1500 – Joint Committee, for resolution. If the matter cannot be resolved by the Joint Committee, the grievance procedure may be invoked by either party.

- C. The selection of forepersons will be the responsibility of the Employer and done by name hiring from Union members. When making appointments to the foreperson and subforeperson levels, the Employer will give consideration to those PWU members presently employed pursuant to this Appendix however this does not create an obligation to make an appointment of a foreperson from these employees. The retention of forepersons will be the exclusive right of the Employers.
- D. Such forepersons and subforepersons shall be members of the PWU and shall register at the Union Office be issued with clearance cards. If clearance has not been provided within three (3) working days the Employer may proceed with the employment of the foreperson unless the employee's Union dues are in arrears.
- E. In the interest of efficiency and productivity, the Employer shall have the right to move forepersons and sub-forepersons from worksite to worksite.
- F. The senior forepersons differential shall be fifteen (15) percent above the journeyperson rate differential as set out in the existing wage schedule. The senior foreperson has responsibilities over and above the forepersons e.g., multiple crews. The foreperson's differential shall be twelve (12) percent above the journeyperson rate differential as set out in the existing wage schedules. The sub-foreperson's differential shall be six (6) percent above the journeyperson rate differential as set out in the existing wage schedules. The rates of pay for all forepersons and subforepersons covered by this Agreement will be set forth in the current wage schedules. Hydro One Inc. will provide the Union with current wage schedules.
- G. PWU members acting as a General Foreperson for periods of less than three (3) months shall be members of the Union.

- H. Persons appointed to foreperson and senior forepersons positions will be provided supervisory training, prior to appointment, when possible.
- I. Forepersons may be required to work the tools when the crew size is five (5) or less including the foreperson.
- J. Employees employed under this Appendix shall work in separate crews with separate Union Supervision unless mutually agreed upon otherwise by Management and the PWU Sector Vice President.

SECTION 7 UNION SECURITY

700

- A. All employees falling under the scope of this agreement will be members or will apply for membership in the PWU within fifteen (15) calendar days, and will maintain such membership in good standing in the Union as a condition of employment. The Employer will cooperate with the Union but bears no responsibility for policing membership status.

SECTION 8 EMPLOYMENT PRACTICES/HIRING

800

- A. A contact person will be designated by Hydro One Inc. for the purpose of co-ordinating employment as specified in this Section.
- B. Hydro One Inc. and the Union will exchange the names of their representatives who will be responsible for co-operating in the referral and employment of reliable and competent Union members.
- C. Hydro One Inc. will notify the Union of future staffing requirements for all employees coming within the scope of this Agreement.
- D. The Union will co-operate with the Employer and advise the Hydro One Inc. contact person of the name, address and telephone number of those being referred as soon as it is known and before the employee commences work.
- E. The Union will review the job description and Physical Demands Analysis (PDA) with potential employees prior to referral to Hydro One Inc. The employee will be expected to sign off the job description and PDA on hire.

F. The Union will direct members to provide, at hiring, all applicable licenses and certificates. In addition, upon hire, all referrals who are members of and/or referred by the Labourers Internal Union of North America (LIUNA) must provide proof of standard Safety, First Aid, CPR & AED training in the same manner as outlined in the EPSCA/LIUNA OPDC MOA/ Collective Agreement.

801

A. The employment of workers shall be carried out on the following basis and sequence:

(i) Such workers shall not be employed unless they are in possession of a clearance card from the Union office.

(ii) If the Union is unable to furnish appropriately qualified or certified members or non-member (permit holders) workers to the Employer within three (3) working days of the time the Union office receives the request for workers (excepting Saturdays, Sundays, and Holidays), the Employer shall be afforded the right to employ workers (permit holders) as are available. The Union will issue clearance cards to workers hired in these circumstances. Non-members referred in this situation will be considered permit holders and the Union will notify the Employer when permit holders are referred.

Permit holders by classification may be replaced by Union members after three (3) working days' notice to the Employer but in no case until such permit holders have worked a minimum of one (1) month.

802

A. When unable to proceed with work, an Employer may elect to either layoff or standoff part or all of his/her crew. The Employer shall provide the Union with the names and classifications of affected employees within a reasonable amount of time.

In all cases of layoff the Employer shall layoff its employees within the classification in the following sequence:

- (i) permit holders;
- (ii) Union members;

B. The purpose of this Section is to ensure fair and equitable treatment of employees in the event of reductions in the work force while, at the same time, allowing the Employer to direct

and deploy the work force. Nothing in this Section restricts the Employer's right to transfer employees to meet work demands.

- (i) The retention of employees who are members of the Union and covered by this Agreement in the Employer's service shall be governed by this Section.
- (ii) For the purposes of this Section, there shall be the following classifications of employees:
 - Electrician Journeyperson including senior foreperson, forepersons and sub-forepersons
 - Electrician Apprentice
 - Electrical Forester – Journeyperson including senior foreperson, forepersons and sub-forepersons
 - Electrical Forester – Apprentice
 - Electrical Forester – Skidder Operator, including senior foreperson, forepersons and sub-forepersons
 - Electrical Forester – Labourer including senior foreperson, forepersons and sub-forepersons
 - Linepersons (formerly lineman) including senior foreperson, forepersons and sub-forepersons
 - Line Apprentice
 - Communication Electrician including senior foreperson, forepersons and sub-forepersons
 - Mechanical Trades Persons including senior foreperson, forepersons and sub-forepersons
 - Mechanical Trade Apprentice
 - Civil Trade Apprentice
 - Civil Trades Persons including senior foreperson, forepersons and sub-forepersons
 - General Helper
 - Meter Reader
 - Meter Reader 'B'
 - Stockkeeper
 - Operator 1, 2, 3
 - Meter Reader Data Collector
 - Cable Splicer
 - Protection and Control Technologist
 - Civil Uncertified – Lines
 - Civil Uncertified – Stations Services

Such other classifications subsequently agreed to by the parties in Section 2.

- (iii) Employees to be retained must have the necessary qualifications skills and ability to satisfactorily perform the work to be done.
- (iv) Seniority as used in this Section is based on the employee's Established Commencement Date (ECD).
- (v) In the event of a reduction of staff (excluding standoffs) and subject to (iii) and (iv) above, employees who are not members of Union shall be laid off prior to employees who are members of Union. Employees who are not members of Union shall not be subject to the conditions contained in (vi) below.
- (vi) Subject to (iii) and (iv) above, the following conditions shall apply:
 - (a) In the event of a reduction of staff (excluding standoffs), the Employer will identify which of the classifications listed in (ii) will be affected.
 - (b) In the event of a reduction of staff (excluding standoffs), employment retention by seniority shall be as follows:

0 to (9) months	No Seniority
Nine (9) months to (5) years	Seniority by Geographic Territory (Southwestern, Central, Eastern, Northeastern & Northwestern)
Over five (5) years	Seniority Province Wide

* When relocating employees as a result of the application of this Section, the Employer shall provide transportation or pay the equivalent of the cost of public transportation or mileage, whichever is deemed appropriate by the Employer, for the initial trip to the new work location from the employee's most recent work location. The Employer shall also pay travelling time at the appropriate straight-time rate up to a maximum of eight (8) hours per day.

(vii) In cases involving reduction of staff, an employee will not lose their service credit unless he/she has a break in service of greater than six (6) months. An employee terminated for any of the following reasons will not lose their service credit unless he/she has a break in service of greater than three (3) months:

- (a) voluntary termination;
- (b) layoff necessitated by refusal to accept a transfer resulting from the implementation of the Seniority Clause.

For discharge for cause the employee will immediately lose their service credit.

C. Standoff

- (i) Standoff is a mechanism to be utilized for short durations by the Employer, when work is delayed e.g., spring breakup (1/2 load season) material shortages, outages and release of scheduled work. The standoff process is not intended to circumvent the Layoff procedure.
- (ii) If the Employer elects standoff, it reserves the right to standoff its employees including stewards without pay up to a maximum of fifteen (15) consecutive working days. No daily travel or room and board allowance will be paid to an employee for a standoff period. Senior stewards shall only be placed on standoff when all others in the work group are on standoff.
- (iii) If standoff continues beyond fifteen (15) consecutive working days, an employee, at his/her option, may elect to remain on standoff up to a maximum of 45 days or be removed from standoff at anytime during that 45 days.
- (iv) An employee who elects to remain on standoff shall be issued a Record of Employment Form indicating “standoff – lack of work” dating back to his/her first day on standoff.
- (v) If an employee elects layoff, it shall be carried out in accordance with the terms of Subsection 802, Item A and B. Where appropriate, an employee laid off will be issued a Record of Employment Form indicating “layoff – shortage of work” dating back to his/her first day on standoff.

- (vi) No employee shall be placed on standoff more than twice annually, in a calendar year (January 1st to December 31st), unless additional standoff(s) is agreed to by the employee.
- (vii) Notwithstanding the limitations to the duration of standoff in this Section, the Employer and the PWU Sector Vice President may agree to longer standoff duration to accommodate snow conditions that restrict the access to the work.

803

A. Transfer of Employees

- (i) The Employer reserves the right to transfer employees to meet its needs, having regard for the special requirements of the work. The Employer shall provide transportation or pay the cost of public transportation or pay mileage at \$.40 per kilometer whichever is deemed appropriate by the Employer, for the initial trip to the new work location from the employee's most recent work location. The Employer shall also pay travelling time at the appropriate straight-time rate up to a maximum of eight (8) hours per day.
- (ii) The Employer will make every reasonable effort to transfer employees as near as possible to their regular residence as the work permits.
- (iii) Employees who are receiving subsistence allowance shall be notified of all potential transfers or layoffs no later than Thursday of the previous week.

B. Transfer Line Work

- (i) When making decisions regarding the transfer of individual employees or crews for line work, the Employer shall adhere to the transfer process detailed in subsections C and D, subject to the following exclusions from application:
 - (a) Transfers within a Superintendent's jurisdiction.
 - (b) Individual employees and crews with specialized skills.
 - (c) Forepersons.
 - (d) Apprentice in conjunction with the mandate of the Joint Apprenticeship Council on transfers.

C. Individual Transfers

- (i) Prior to implementing any transfers of individual employees for line work, the Employer shall identify the work location requiring additional staff and the work location with staff available for transfer. The Employer shall first attempt to satisfy a requirement for additional staff by considering any outstanding requests for transfers which are on file and requesting volunteers from the work location with available staff.
- (ii) If there is an insufficient number of volunteers to meet requirements, the Employer shall request additional volunteers from the “Work Group” covering the above work location.
- (iii) Volunteers from the appropriate classification will be transferred to meet requirements.
- (iv) If after soliciting volunteers through steps (i) and (ii) there are still insufficient volunteers, then the most junior person in the appropriate classification within the “Work Group” will be transferred.

D. Crew Transfers

- (i) Crew transfers to another work group will be of a temporary nature and last no more than six (6) weeks in duration. Subject to the approval by the Union, crew transfers may be extended beyond six (6) weeks in duration.
- (ii) Prior to selecting the crew(s) to transfer for line work, the Employer will identify the location requiring the additional crew(s) and the work location having the available crew(s) for transfer.

E. Transfer for Other Than Line Work

- (i) When making decisions regarding the transfer of employees for other than line work the Employer shall adhere to the transfer process detailed in subsection (ii), subject to the following exclusions from application:
 - (a) Transfers within a Superintendent’s jurisdiction.
 - (b) Individual employees with specialized skills.
 - (c) Foreperson.

(d) Apprentices in conjunction with the mandate of the Joint Apprenticeship Council on transfers.

(ii) Transfers

(a) Prior to implementing any transfers for other than line work, the Employer shall identify the work location requiring additional staff and the Superintendent with staff available for transfer. The Employer shall first attempt to satisfy a requirement for additional staff by considering requests for transfers from volunteers.

(b) If there is an insufficient number of volunteers to meet requirements, the Employer will select the most junior person in the appropriate classification under the Superintendent to be transferred.

(c) Exception: When the Superintendent has responsibility for an unusually large geographic area, the work group may be split into sub-groups by mutual agreement of the parties and the Employer will transfer the most junior person from the appropriate classification within the “sub group”. It is agreed that the current geographic area of the Superintendent in the North falls under this exception rule.

F. The Employer reserves the right to transfer employees between all construction sectors to meet its needs.

804

A. The designated certified Health & Safety Representative and certified Health & Safety alternate, Joint Health & Safety Committee members, Health & Safety Representatives, and Union Safety Representative shall be excluded from the transfer provisions. These individuals will be transferred by joint agreement of the Superintendent and the Accredited Union Representative based on the overall health, safety and efficiency needs of both parties.

SECTION 9 HOURS OF WORK

900

A. The normal weekly hours of work for all employees of Employers covered by this Agreement shall be forty (40).

The weekly hours shall be:

- (i) worked in five (5) days of eight (8) hours each, Monday to Friday inclusive, or
- (ii) the weekly hours of work (Monday to Friday inclusive) for all employees may be arrived at by having the employees work four (4) consecutive ten-hour shifts or by having the employees work five (5) consecutive eight-hour shifts. Weekly hours will be established for a minimum period of thirty (30) days. Fifteen (15) days written notice shall be sent to the local Union prior to a change in weekly hours. The notice period may be reduced with unanimous agreement of the affected crew.

901 The normal daily hours, as provided for in Subsection 900, Item A, are to be worked between 7:00 am and 6:00 pm.

902 A. (i) For employees working normal hours on a five (5) day work week, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, for each half shift worked.

(ii) For employees working normal hours on a four (4) day work week, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, for each half shift worked.

B. For employees required to work overtime, a ten (10) minute rest period will be allotted prior to the end of the normal shift before commencing overtime work.

C. For employees working overtime, a fifteen (15) minute rest period will be allotted, at the time directed by the Employer, after each two (2) hours of overtime worked.

D. A thirty (30) minute lunch break shall be provided at a time established by the Employer.

903 A. An employee who reports for work, unless directed not to report the previous day by the Employer, shall receive a minimum of two (2) hours pay plus the appropriate daily travel or board allowance at the applicable rate when he/she reports for work but is unable to commence or continue to work because of circumstances beyond his/her control. An employee will not receive this allowance if unable to complete the shift as a result of inclement weather.

B. Notwithstanding Subsection 903, Item A above, when an Employer considers it necessary to shut down a job to avoid the possible loss of human life, because of an emergency situation that could endanger the life and safety of an employee, in such cases, employees will be compensated for the actual time worked plus applicable travel or board allowance.

904

A. An employee who reports for work at the beginning of a shift and is unable to commence work due to inclement weather will receive pay for one half of the scheduled shift at the applicable rate. To qualify, the employee must remain at a protected place or area as designated by the Employer for one half of the scheduled shift unless excused by an authorized representative of the Employer.

B. An employee who reports for and commences work but is unable to continue work due to inclement weather shall receive pay for one half of the scheduled shift at the applicable rate of pay for the actual time worked for that shift, whichever is greater.

C. An employee in receipt of inclement weather pay shall also receive travel or board allowance if applicable.

905

A. The holidays recognized under this Agreement are:

New Year's Day	Civic Holiday
Family Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Christmas Day
Victoria Day	Boxing Day
Canada Day	

B. Recognized holidays falling on a Saturday or Sunday shall be observed on the following Monday. When Christmas Day falls on a Saturday or Sunday, it shall be observed on the following Monday and Boxing Day on the following Tuesday.

906

A. When working an eight (8) hour day on a five (5) day per week work schedule, overtime shall be paid at 1-1/2 times their straight time rate for all work performed during the first two (2) hours after normal quitting time.

When working a ten (10) hour day on a four (4) day per week work schedule, overtime shall be paid at 1-1/2 times the straight time rate for all work performed during the first two (2) hours after normal quitting time.

Employees who work in excess of twenty-four (24) hours continuously will continue to be paid premium rate for all additional hours worked until such time as the employee receives an eight (8) hour break from work.

All other hours worked outside the normal daily scheduled hours and overtime worked on Saturday, Sunday, Recognized Holidays and non-shift days shall be paid at two (2) times the straight time rate.

- B. When an employee has not been notified the previous day that he/she will be required to work for more than two (2) hours beyond the normal quitting time of his/her shift, and after approximately two (2) hours has been worked, he/she shall be provided with a lunch and allowed thirty (30) minutes to consume same at the base hourly rate of pay. After each additional four (4) hours is worked, the employee shall be allowed thirty (30) minutes to eat at the base hourly rate of pay and a lunch when work is required beyond that four (4) hour period.

Where an employee has been notified the previous day, no lunch will be provided, but the employee will be allowed thirty (30) minutes to eat at the base hourly rate of pay.

When a paid meal period overlaps a rest period, the paid meal period will supplant the rest period.

The above-noted is not applicable to the first eight (8) hours worked on Saturdays, Sundays and Recognized Holidays.

907

- A. When an employee is called in to work outside of his/her normal hours of work, he/she shall receive a minimum of two (2) hours work at two (2) times the straight time rate plus travel allowance where applicable.
- B. If the employee's normal hours of work commence within this two (2) hour period, the employee will be paid two (2) times the straight time rate for the actual hours worked and revert to his/her normal rate at the commencement of his/her normal hours of work.

908

- A. (i) Shift work may be established on all work except tower erection and stringing operations provided that there are at least four (4) consecutive days of shifts to be

worked excluding Saturdays, Sundays and Recognized Holidays.

- (ii) Where shift work is established, the normal shift hours shall be the same as the day hours.
- (iii) The normal starting time for day shift hours shall be the same as the day work hours described in Subsection 901.
- (iv) The second shift hours shall commence with the conclusion of the day shift hours.

- B. (i) Employees required to work shift work on the second shift of a two-shift operation shall receive a shift differential of time and one-seventh for normal scheduled shift hours worked. If an employee is removed from their scheduled shift prior to completing four (4) consecutive shifts, the employee will be paid shift differential for the balance of the four (4) consecutive shifts that would have been worked had the employee had not be reassigned, up to a maximum of four (4) days of shift differential.
- (ii) No employee shall be required to work more than one shift in any twenty-four (24) hour period unless the overtime rate is paid.
- (iii) The shift rate will be based on the day in which the shift begins.

909 A. It may be necessary from time to time to vary the hours of work established in Subsections 901 and 908. Any amendments to the hours of work will be established by mutual agreement between Hydro One Inc. and the Union.

910 A. Annual unpaid entitlement vacation shall be twenty (20) working days and in special circumstances, upon agreement of the Union and the Employer additional vacation may be granted providing work scheduling will permit. All vacation will be taken with the approval of the Employer and approval shall not be unreasonably denied.

SECTION 10 WAGES AND PAY PROCEDURE

1000 A. Wage rates for employees in the classifications listed in Subsection 200, Item B, of this Agreement shall be as set forth

in the current wage schedules. Hydro One Inc. will provide the Union with current wage schedules.

- B. Wage rates for all classifications listed in Sub-section 200, Item B of this Agreement, excluding acting general forepersons, senior forepersons, forepersons and sub-forepersons (see section 600 F & G), will be drawn up in accordance with the following Table of Relationships. This table indicates the relationship to be maintained between the basic classifications within the bargaining unit. Changes in basic classification wage rates shall be accompanied by changes in the subsidiary classification wage rates in accordance with the percentages shown in the table. Base Rate is calculated by subtracting Vacation and Statutory Holiday pay, the Pension remittance and the Welfare remittance from the Total Wage Package for non-Civil Certified Trades. The Total Wage Package for non-Civil Certified Trades shall be \$50.47.

Table of Relationships

<u>Classification</u>	<u>Percent of *Base Rate</u>
Certified Trade 5 year Apprenticeship (other than Civil Trades)	
– Journeyperson	*100
– Apprentice	
5th period	80
4th period	70
3rd period	60
2nd period	50
1st period	40
Certified Trade 4 year Apprenticeship (other than Civil Trades)	
– Journeyperson	*100
– Apprentice	
4th period	80
3rd period	70
2nd period	60
1st period	50

<u>Classification</u>	<u>Percent of *Base Rate</u>
Certified Civil Trade e.g. Carpenters, Painters, Insulators, Asbestos Workers, Plasterers, Cement Masons and Operators which have an Apprenticeship Program will be paid at ninety-five (95) percent of base rate for Journey person Lineperson. Apprenticeship rates are based on this rate.	
Welder	100
Electrical Forester/Stockkeeper	85
– Apprentice (Apprentice rates are based on Electrical Forester rate.)	
4th period	80
3rd period	70
2nd period	60
1st period	50
Electrical Forester (Skidder Operator)	70
Electrical Forester (Labourer)	55
General Helper	55
Civil Trades (No Apprenticeship)	85
Meter Reader	68

1001

A. Normal

- (i) Employees shall be paid weekly and payment for any given week will be made not later than the sixth working day after the close of the payroll period, but in any event, not later than Thursday of the following week.
- (ii) Wages shall be paid by the Employer at the work location, before quitting time, in cash or by cheque, payable at par in the locality of the work location. Accompanying each payment of wages shall be a statement, in writing, which can be retained by the employee, setting forth:
 - (a) the period of time or the work for which the wages are being paid;
 - (b) the rate of wages to which the employee is entitled;

- (c) the amount of wages to which the employee is entitled;
 - (d) the amount of each deduction from the wages of the employee and the purpose for which each deduction is made;
 - (e) any allowance or other payment to which the employee is entitled;
 - (f) the amount of vacation pay for which the employee is being credited;
 - (g) the amount of recognized holiday pay for which the employee is being credited; and
 - (h) the net amount of money being paid to the employee.
- (iii) In cases where inclement weather is declared on pay day, employees will receive their pay before leaving the work location provided it is available at the work location.

B. On Termination

- (i) An employee who voluntarily terminates their employment will be provided final pay direct deposited on the next regular pay day for the period worked.
- (ii) At work locations where the Employer does not have an on-site pay office, an employee will have final pay direct deposited and his/her Record of Employment information sent electronically to Service Canada eight (8) working days from termination. This does not preclude an employee being paid his/her final pay at the work location prior to the expiration of the eight-day period.
- (iii) An employee who is discharged shall be provided with his/her final pay immediately if the Employer's pay facilities are at the work locations or as per Item B (ii) above, if the Employer's pay facilities are not at the work location.
- (iv) Failure of the Employer to comply with the requirements in Clause 1001 B (I), (ii) and (iii) will entitle the employee to two (2) hours at the straight time rate for each normal work day of non-compliance.

SECTION 11 UNION AND BENEFIT FUNDS

- 1100
- A. The Employer agrees to deduct from the total wage package above and pay into an operative welfare plan for all hours earned. Such welfare payments will be set forth in the wage schedules provided by Hydro One Inc.
 - B. The Employer agrees to deduct from the total wage package and pay into an operative retirement plan an amount of money per hour to be determined by the Union for all hours earned. Such pension payments will be set forth in the wage schedules provided by Hydro One Inc.
- 1101
- A. The vacation and recognized holiday pay rate shall be ten (10) percent of vacationable gross earnings. The vacation pay rate shall be four (4) percent and the recognized holiday pay rate shall be six (6) percent.
 - B. Payment of vacation and recognized holiday pay shall be made weekly.
- 1102
- A. The Employer agrees to deduct Union Funds from wages and to remit the amounts deducted to the Union. The amounts to be deducted and remitted will be as set out in the wage schedules attached hereto.
 - B. A checkoff system of Union initiation fees and dues will be made operative for the lifetime of this Agreement. The Employer will supply full check-off lists of employees subject to checkoff at regular intervals and agrees to collect monthly for the Union dues payable to the Union. The Employer will transmit the monies so collected to the designated officials of the Union. The Union will indemnify the Employer for any liability arising from the deduction of initiation fees and dues as requested by the Union.
 - C. The Employer shall put into effect any changes to Union funds or dues upon notification by the Union.
 - D. The Employer will arrange for each worker falling under the jurisdiction of the Union to sign a Union dues checkoff authorization as a condition of employment at the time he/she is employed.

SECTION 12 TRAVEL AND ROOM AND BOARD ALLOWANCE

1200

Daily Travel Allowance

- A. The daily travel allowance will be paid by the Employer to its employees who are not living in camp or receiving a subsistence allowance as referred to in Subsection 1201, on the following basis:
- (i) If an employee lives within 40 radius kilometers of the work location or declared assembly point * no travel allowance will be paid.
 - (ii) If an employee lives within 40-56 radius kilometers of the work location or declared assembly point they shall receive ***\$25.60 (effective April 1, 2016, \$25.98; April 1, 2017, \$26.37)*** per day travel allowance for each day worked or reported for.
 - (iii) If an employee lives within 56 to 80 radius kilometers of the work location or declared assembly point they shall receive ***\$30.60 (effective April 1, 2016, \$31.06; April 1, 2017, \$31.53)*** per day travel allowance for each day worked or reported for.
 - (iv) If an employee lives within 80-97 radius kilometers of the work location or declared assembly point they shall receive ***\$35.60 (effective April 1, 2016, \$36.13; April 1, 2017, \$36.67)*** per day travel allowance for each day worked or reported for.
 - (v) If an employee lives greater than 97 radius kilometers from the work location or declared assembly point, and does not qualify for subsistence allowance under Subsection 1201 below, they shall receive ***\$40.27 (effective April 1, 2016, \$40.87; April 1, 2017, \$41.48)*** per day travel allowance for each day worked or reported for provided the employee continues to travel greater than 97 radius kilometers daily.
- * For the purpose of this Section, “declared assembly point” is a material yard, field office or other location that may from time to time be designated by the Employer as a location for assembling prior to leaving for the work location.

- (vi) When an employee is directed to report to a location that involves travelling around a natural barrier, the distance around the natural barrier shall be the shortest distance measured by a series of straight lines. The sum of the distance of these straight lines shall be applied to the ring concept to establish the employee's travel allowance entitlement, board allowance entitlement and initial and return allowance entitlement.
- (vii) A natural barrier is defined as any obstruction or impediment which creates an unreasonable relationship between radius kilometres and actual kilometres travelled.

A joint team, made up of one Union representative and one Management representative will review situations where employees feel the relationship between radius kilometres and actual kilometres travelled is unreasonable and decide the issue without prejudice or precedent.

- B. The Employer reserves the right to base daily travel allowance on the distance in radius kilometres from where an employee lives to either the work location or declared assembly point, depending on where the employee is directed to report.

1201

Room and Board Allowance (Subsistence)

- A. The following conditions will apply for employees whose regular residence* is more than 97 radius kilometres from the work location or declared assembly point:

- (i) An Employer may supply either:
 - (a) free room and board in camp or a good standard of board and lodging; or
 - (b) a subsistence allowance; or

* For the purpose of this Section "regular residence":

- 1. The place where the employee maintains a self-contained, domestic establishment (a dwelling house, apartment or similar place of residence where a person generally eats and sleeps and for which he/she can show proof of financial

commitment). This is in contrast to a boarding house facility which is not self-contained; and

2. The employee normally resides in the residence except for those periods of time when, because of the location of the work, the employee obtains temporary accommodation for that work location.
 3. For metropolitan areas (Toronto and Hamilton) the calculation of distance shall be the employee's regular residence.
 4. For all other areas, the calculation of distance shall be based on the location of the city or town hall of the municipality where an employee maintains a self-contained domestic establishment described above. In those municipalities where a city or town hall does not exist, then the post office serving his/her self-contained domestic establishment will apply.
- (ii) An employee may exercise his/her option not to stay in a camp or accept free room and board. An employee who exercises this option shall receive a subsistence allowance as follows:
- (a) When an employee's regular residence is more than 97 radius kilometres from the work location, or declared assembly point which is north of the French River and the employee maintains temporary accommodations at or near the work location or declared assembly point the employee shall be paid a subsistence allowance of **\$104.28 (effective April 1, 2016, \$105.85; April 1, 2017, \$107.43)** per day for each day worked or reported for.

South of the French River an employee will be paid **\$97.32 (effective April 1, 2016, \$98.78; April 1, 2017, \$100.26)** per day for each day worked or reported for.
 - (b) When an employee's residence is more than 450 kilometres from the work location and the employee is working a four (4) day by ten (10) hour per day shift, the employee will be paid one (1) additional day's subsistence allowance.

- B. An employee shall not qualify for daily travel allowance or room and board allowance as provided for in Subsection 1200 and Subsection 1201, Item A above, when such employee reports for work but does not remain at work for his/her scheduled daily hours unless excused by an authorized representative of his/her Employer. Such permission shall not be unreasonably denied.
- C. Upon application, payment of Room and Board/Travel Allowance will be issued for the first two pay periods. Failure to provide satisfactory proof of eligibility during this period, will result in cessation of payments and the recovery in two equal amounts. In the event of termination for any reason before full recovery, any balance owing will be deducted from the final pay.

1202

Travel Time

- A. The Employer will supply transportation between the assembly points and work locations.
- B. All travel time will be outside of normal working hours.
- C. On normal working days an employee will be paid his/her straight-time rate for all time spent travelling from his/her assembly point to his/her work location.
- D. On Saturdays, Sundays and Recognized Holidays identified in Subsection 905 A, B and C, an employee will be paid his/her premium rate for all time spent travelling from his/her assembly point to his/her work location.
- E. An employee will travel up to a maximum of one (1) hour on his/her own time when returning from the work location to the assembly point.
 - (i) On normal working days an employee will be paid straight-time rate for all time spent travelling in excess of one (1) hour.
 - (ii) On Saturdays, Sundays and Recognized Holidays identified in Subsection 905 A, B and C an employee will be paid premium rate for all time spent travelling in excess of one (1) hour.

1203

Initial and Return Travel and Transportation

- A. On recruitment of workers who live beyond 161 radius kilometres from the work location, the Employer shall pay \$.40 per radius kilometre, plus travel time based on one hour's pay for each 80 kilometres, or part thereof, of travel to a maximum of 8 hours pay for the initial trip to the work location from where the worker lives. On recruitment of workers who live outside Ontario, the distance calculation for this allowance shall be from where the worker lives or the Union Referral Hall, whichever is closer.
- B. To qualify for payment in Item A, the employee must be engaged in work for a minimum of fifteen (15) working days or the duration of the job, whichever is less.
- C. On termination of employment due to a reduction of staff, an employee qualified for payment as a result of Item B above, shall be entitled to return travel expenses calculated in the same manner as in Items A above for the return trip from the current work location to where the worker lives. An employee whose employment terminates for any reason other than reduction of staff shall not be eligible for return payment.
- D. At the end of each three (3) months of continuous employment at a work site where the employee resides in a camp or a camp situation, he/she shall receive eight (8) hours pay at his/her appropriate straight time rate to assist in defraying costs of returning home.

1204

Use of Personal Vehicle

- A. An employee who is requested or receives approval from an authorized representative of his/her Employer to use his/her personal vehicle for the convenience of his/her Employer shall be reimbursed at \$.40 per kilometre travelled for such use of his/her vehicle.

SECTION 13 TOOLS AND CLOTHING

1300

- A. Employees shall be required to provide themselves with the ordinary hand tools of the trade as specified in the attached tool listing*. The Employer will provide insofar as is practical, separate facilities for storing the tools, but shall not be held responsible for losses, except as noted hereunder.

- (i) When personal tools valued in excess of \$15.00 are lost due to fire, the Employer will consider replacement or payment value to a maximum of \$500.00 based on the merit of tools that a tradesperson is required to have to perform their normal duties with the Employer.
- (ii) The Employer agrees to compensate employees for tools lost by theft, as supported by claims submitted in writing with substantiating evidence to establish theft resulting from forcible entry to locked storage provided by the Employer to a maximum of \$500.00.
- (iii) In the event of a loss by fire at a work location, replacement or payment of the full estimated value in excess of \$15.00 but not exceeding \$500.00 for the loss of personal clothing will be made.
- (iv) In the event of a loss by fire at an Employer operated camp, replacement or payment of the full estimated value in excess of \$15.00 but not exceeding \$750.00 for the loss of personal clothing will be made.

B. Employees who have obtained tools from the Employer's tool crib shall be allowed sufficient time, in the opinion of Management, to return such tools to the tool crib during working hours. Employees receiving tools from such tool crib shall be held responsible for the return of such tools in good condition, subject to normal wear and tear. On layoff or standoff, employees will be allowed reasonable time to return tools.

C. Gang tools which are issued to a foreperson are used by one or more members of the crew. Such tools are not identified on trade tools lists, nor are then the tools and equipment identified in A. and B. of this section. Such tools shall be the responsibility of the Employer.

D. Employees eligible for payment under A. above shall be reimbursed within ten (10) working days after the date of submitting a claim.

1301

A. Employees are required to wear protective clothing and use protective equipment appropriate for the work being done. The Employer shall supply employees working in close proximity to obvious fire hazards (i.e., open flames) with flame resistant coveralls. Refer to Mid-Term Agreement MT-61 for terms

and conditions for the provision of Flame and Arc Resistant Clothing.

- B. The Employer will supply protective clothing including gloves, high visibility clothing, rainwear and coveralls where appropriate at no cost to the employee. Protective clothing that is provided by the Employer will be charged out to an employee and the employee shall be responsible for the return of such protective clothing and equipment upon completion of the work involved.
- C. Employees shall supply themselves with, and wear at all times on the job, an approved safety helmet and safety footwear.

When an Employer wishes an employee to wear a specifically identified safety helmet, the Employer shall provide it on loan, complete with a new liner.

SECTION 14 GRIEVANCES AND ARBITRATIONS

1400

- (a) Hydro One Inc. shall appoint employees beyond the jurisdiction of the Union to act as contact supervisor. Each contact supervisor shall be responsible for giving or securing a decision on any grievance submitted to him/her by a Union representative on behalf of any employee or group of employees under his/her supervisor. Grievances will be referred to the contact supervisor within 30 days of the discovery of the event giving rise to the grievance. If a satisfactory decision is not made by the contact supervisor within 48 hours, the Union representative may, within 30 days, refer the grievance to arbitration.

Employees shall be entitled to Union representation at any disciplinary meeting.

- (b) The referral to arbitration shall be made to one of the following single arbitrators on a rotating basis:
 - (i) Jules Bloch
 - (ii) Rob Herman
 - (iii) Louisa Davie
- (c) The arbitrator shall set a hearing date to take place within ten (10) working days of the date of the referral and shall render a decision on the case within 30 days of the completion of the hearing of the matter. The parties agree that they will facilitate

to the greatest extent possible the expeditious completion of the hearing process.

- (d) The decision of the arbitrator shall be final and binding on the parties. The arbitrator shall not have jurisdiction to alter or overrule this agreement or to make any decision inconsistent with this agreement.
- (e) The arbitrator shall have all the power and authority of an arbitrator under Section 48 of the Labour Relations Act, 1995.
- (f) Maintenance of normal earnings shall be provided by Hydro One Inc. for all Union representatives, attending at the grievance process, including the arbitration hearing. Arbitrator costs will be shared.

SECTION 15 COMMITTEES

1500

Joint Committee

- A. To advance harmonious relations between Hydro One Inc. and the Union, Hydro One Inc. and the Union shall appoint a Joint Committee comprised of two (2) PWU and two (2) Management as appointed by the parties.

The Committee shall meet at least annually to review the work program and matters associated with the administration of this Appendix with the intent of achieving uniformity of application of this Appendix wherever employees are working. The Committee may also consider matters related to safety.

1501

Joint Apprenticeship Committees (subject to the attached letter “Principles Related to Apprenticeship Program”, related Committee Agreements, and Certificate of Qualification requirements.)

- A. A Joint Apprenticeship Council (JAC) shall be established and shall meet on a regular basis. This Council shall consist of an equal number of members of the Union and representatives of the Employer. Where applicable, a representative of the Apprenticeship Branch of the Ontario Government may also be appointed as an advisor to the regular Council members.
- B. The JAC shall be responsible for the establishment and maintenance of the apprenticeship training programs, as well as adopting operating rules and conditions with respect thereto which are complementary to and in keeping with the intent of

the Apprenticeship and Trades Qualification Act RSO 1970 as amended.

- C. Apprentices shall be hired by the Employer, as and when required, from a pool of qualified apprentices established by the JAC in accordance with the procedures established under the JAC Terms of Reference.
- D. All apprentices shall be governed by the Ontario Apprenticeship and Trades Qualification Act and Regulations but the ratio of apprentices to Journeypersons may be set from time to time by the Joint Committee.
- E. In order to expedite the Apprentice's entrance into Journeyperson status, the following policy shall apply:
 - (i) The Apprentice must apply to the Apprenticeship Branch to write his/her examination as soon as possible after he/she has reached his/her total hours, less 300.
 - (ii) The Apprentice will give the JAC two weeks notice that he/she is going to write his/her examination.
 - (iii) After writing the examination, the Apprentice will check his/her hours in his/her Progress Record Book, with the JAC.
 - (iv) The Employer will commence paying the Journeyperson's rate of pay the day after the Apprentice completes his/her hours and providing the following conditions have been met:
 - (a) The Employer is satisfied that the Apprentice has completed his/her hours. If there is a question concerning the completion of hours, confirmation will be supplied by the JAC and/or the Union; and,
 - (b) The Employer is shown written proof of Certification from the Apprenticeship Branch, or has verbal confirmation from the JAC and/or the Union; and,
 - (c) The Apprentice has passed his/ her examination for his/her Certification of Qualification (C of Q).
- F. In the event that an Apprentice fails his/her examination for his/her C of Q, he/she will be paid the journeyperson rate of pay from the day he/she passes any future examinations.

- G. Where the JAC is unable to reach an agreement on any matter concerning apprenticeship, the issue shall be referred to the Joint Committee for their decision.

SECTION 16 LUNCHROOM AND WASHROOM FACILITIES

1600

Lunchroom Facilities

- A. The Employer will provide clean and adequately heated facilities for employees where such facilities may reasonably be provided. Lunchroom facilities are to include adequate space with tables and benches and are to be separated from storage areas. Washroom facilities are to include flush toilets and hot and cold running water where reasonable and practicable.

SECTION 17 PREGNANCY/PARENTAL/ADOPTION LEAVES

1700

- A. Provisions of the Employment Standards Act will apply to a pregnant employee. In addition, an employee's seniority will accumulate while on leave provided this does not affect the normal date of layoff.

SECTION 18 SELECTION TO VACANCIES

PWU represented members who have performed work for Hydro One Inc. pursuant to this Appendix will be entitled to apply to regular positions within Hydro One Inc. for which they are qualified and will be selected on the basis of seniority.

Seniority for the purposes of applying to regular positions will be calculated on the basis of accumulated service with the Hydro One Inc. gained through this Appendix.

Employees in receipt of a Hydro One Inc. pension are not eligible for selection to Vacancies.

Dated at Toronto this _____ day of _____ 1998.

FOR: Hydro One Inc.

FOR: POWER WORKERS' UNION

Principles Related to Apprenticeship Program

The parties agree to establish an apprenticeship program recognizing that the apprenticeship program should be structured to best support the Hydro One Inc. requirements, the Apprentice and the requirements of the Trades Qualification Act.

The parties agree that the following principles should be accepted when developing the apprenticeship program:

- PWU Apprentices will be acquired through the provisions of the Appendix to the Hydro One Agreement.
- The Apprenticeship Program will be managed by the Joint Councils outlined in the Appendix to the Hydro One Agreement.
- Apprentices will be assigned to regular work crews and to casual work crews for the purposes of their training program.
- When Apprentices are doing work on an assigned basis with regular work crews, these crews will not be considered as composite crews. In this circumstance the non-monetary provisions of the Main Agreement apply as well as the meal provisions contained in Part B, Item 18.2 and Mid-Term Agreement MT-61, ***as well as the rest period provisions outlined in Part B Item 22.4.4.***
- The administration of the Apprentice Program will be funded by the Employer and operated from the Union Office.

The parties further agree that a committee would be established comprised of two (2) representatives from Hydro One Inc. and two (2) representatives from the Union to meet and develop the procedures to be followed on the Apprenticeship Program.

Appendix A – TOOL LIST

All journeypersons electricians are required to have the following tools:

- 1 Centre punch
- 1 1/2" Cold Chisel
- 1 Half-round File
- 1 Ball Peen Hammer
- 1 Adjustable Hacksaw Frame
- 1 Knife
- 1 Medium Level
- 5 Pairs of Pliers – 8" Sidecutters, Diagonal, Longnose and 2 pairs of Channellock
- 6 Screwdrivers, Robertson and Standard Types
- 1 6" Square or Combination Square
- 1 6' Folding Wood Rule
- 1 Small Tap Wrench
- 1 Tool Box
- 1 Tool Pouch and belt for hand tools

Lineperson Tool List

- 1 Tool Box and lock
- 1 Ball Peen Hammer
- 1 Jackknife or Stripping Knife
- 1 9" Pliers
- 1 6' Folding Wood Rule
- 1 Screwdriver, flat blade, 8"
- 1 8" Adjustable Crescent Wrench
- 1 10" or 12" Adjustable Crescent Wrench

Electrical Forester

- 1 Saw, hand, pruning
- 1 Set of appropriate hand saw sharpening equipment
- 1 Jack Knife
- 1 Hand Pruners

All Journeyperson Mechanical Tradespersons are required to have the following tools:

- 1 punches, centre set
- 1 punch, pin, set
- 4 punch, taper set
- 4 rule, steel, 6"
- 3 screwdrivers, flat blade, 4" 8" and 12".
- 1 screwdriver, flat blade, stubby
- 1 screwdriver, flat blade, offset
- 1 screwdriver, robertson, set of detachable head
- 1 screwdriver, phillips, set of detachable head

- 1 scribe, steel
- 1 square, combination, with level, protractor and centre head 12"
- 1 tape rule, steel, 6' or longer.
- 1 wrench, tap – to handle up to 1/4" taps
- 3 wrenches, adjustable, crescent type, 4" 8" and 12"
- 1 wrench, vise grip

March 26, 1998

D.F. MacKinnon
Sector Vice President
Power Workers' Union
244 Eglinton Avenue East
Toronto, Ontario
M4P 1K2

Dear Mr. MacKinnon:

1988 Negotiations – Transmission Agreement

This will confirm the discussion at negotiations regarding the natural barrier concept.

It is agreed that an obstruction or impediment will include those areas where roads have not been constructed and which causes an unreasonable relationship between radius Kilometres and actual kilometres travelled.

Yours truly,

March 26, 1998

D.F. MacKinnon
Sector Vice President
Power Workers' Union
244 Eglinton Avenue East
Toronto, Ontario
M4P 1K2

Dear Mr. MacKinnon:

1988 Negotiations – Transmission Agreement

This will confirm the discussion at negotiations regarding parking allowance in Toronto.

Employees working in the downtown core of Toronto will be paid \$3.00 per day worked as a parking allowance when an Employer does not provide parking space.

The downtown core is defined as the area bounded by the east side of Dufferin Street in the west, the west side of Sherbourne Street and Mount Pleasant Road in the east, the south side of Eglinton Avenue in the north and by Lake Ontario in the south.

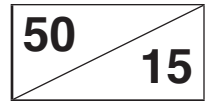
Yours truly,

Add to the Hydro One Inc. Collective Agreement

Assignment of Work & Dispute Resolution Process – Appendix A Construction & Supply Maintenance

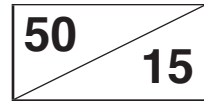
1. No regular Hydro One Inc. employee will be laid off as a direct result of work being performed pursuant to Appendix A of the Collective Agreement.
2. Hydro One Inc. shall share all related information for making an assignment as far in advance of the work as possible.
3. Hydro One Inc. representatives and the PWU Sector Vice-President will agree upon the proposed assignment prior to the assignment being made by the Employer.
4. Failing to agree on the assignment of work will result in an expedited resolution process.
5. Should the parties fail to agree on the assignment of work to employees hired pursuant to Appendix A, the issue will be referred to Mr. Martin Teplitsky, or his deputy who will act as the sole arbitrator for resolution of the dispute.
6. The arbitrator will hear the dispute within three (3) days of the dispute being referred to Arbitration. The Arbitration may be conducted by conference call.
7. Briefs shall be prepared by each party which will include a statement of facts, a brief argument and any other information and/or documents relevant to the issue. Briefs will be exchanged between the parties and provided to the arbitrator at least 24 hours before the arbitration hearing begins. Witnesses may be called with leave of the arbitrator.
8. The decision of the arbitrator shall be final and binding on the parties.

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
SCHEDULES
CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
SALARY SCHEDULE 50**



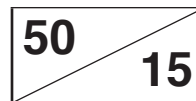
GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
01	09	LINES SENIOR FOREPERSON	411164	53.14	5.31	3.00	3.00	64.45
02	09	MECHANICAL SENIOR FOREPERSON	435362	53.14	5.31	3.00	3.00	64.45
03	09	ELECTRICAL SENIOR FOREPERSON	411061	53.14	5.31	3.00	3.00	64.45
01	08	LINES FOREPERSON	411165	51.76	5.18	3.00	3.00	62.94
02	08	MECHANICAL FOREPERSON	435363	51.76	5.18	3.00	3.00	62.94
03	08	ELECTRICAL FOREPERSON	411062	51.76	5.18	3.00	3.00	62.94
01	07	LINES SUBFOREPERSON	411153	48.98	4.90	3.00	3.00	59.88
02	07	MECHANICAL SUBFOREPERSON	435352	48.98	4.90	3.00	3.00	59.88
03	07	ELECTRICAL SUBFOREPERSON	411051	48.98	4.90	3.00	3.00	59.88
01	06	LINES JOURNEYPERSON	411134	46.21	4.62	3.00	3.00	56.83
02	06	MECHANICAL JOURNEYPERSON	435332	46.21	4.62	3.00	3.00	56.83
03	06	ELECTRICAL JOURNEYPERSON	411031	46.21	4.62	3.00	3.00	56.83
05	06	CABLE SPLICER JOURNEYPERSON	001377	46.21	4.62	3.00	3.00	56.83
		ELECTRICAL APPRENTICE (5 YEAR PROGRAM)	411113					
		MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM)	435312					
		CABLE SPLICER APPRENTICE (5 YEAR PROGRAM)	001727					
01	00	1ST PERIOD	001727, 435312, 411067	18.48	1.85	3.00	3.00	26.33
01	01	2ND PERIOD	001727, 435312, 411067	23.11	2.31	3.00	3.00	31.42
01	02	3RD PERIOD	001727, 435312, 411067	27.73	2.77	3.00	3.00	36.50
01	03	4TH PERIOD	001727, 435312, 411067	32.35	3.24	3.00	3.00	41.59
01	04	5TH PERIOD	001727, 435312, 411067	36.97	3.70	3.00	3.00	46.67
		LINES APPRENTICE (4 YEAR PROGRAM)	410312					
02	00	1ST PERIOD	410312	23.11	2.31	3.00	3.00	31.42
02	01	2ND PERIOD	410312	27.73	2.77	3.00	3.00	36.50
02	02	3RD PERIOD	410312	32.35	3.24	3.00	3.00	41.59
02	03	4TH PERIOD	410312	36.97	3.70	3.00	3.00	46.67

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
SCHEDULES
CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
SALARY SCHEDULE 50**



GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE	
		MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM)	435313						
02	10	1ST PERIOD	435313	27.73	2.77	3.00	3.00	36.50	
02	11	2ND PERIOD	435313	32.35	3.24	3.00	3.00	41.59	
02	12	3RD PERIOD	435313	36.97	3.70	3.00	3.00	46.67	
02	13	4TH PERIOD	435313	41.59	4.16	3.00	3.00	51.75	
06	06	AREA DISTRIBUTION ENGINEERING TECHNICIAN*	003228	46.21	4.62	3.00	3.00	56.83	NEW
07	06	METER TECHNICIAN*	003229	46.21	4.62	3.00	3.00	56.83	NEW
08	06	FORESTRY TECHNICIAN*	003230	46.21	4.62	3.00	3.00	56.83	NEW
11	09	CIVIL SENIOR FOREPERSON	435764	50.49	5.05	3.00	3.00	61.54	
11	08	CIVIL FOREPERSON	435763	49.17	4.92	3.00	3.00	60.09	
11	07	CIVIL SUBFOREPERSON	435753	46.53	4.65	3.00	3.00	57.18	
11	06	CIVIL JOURNEYPerson	435733	43.90	4.39	3.00	3.00	54.29	
		CIVIL APPRENTICE (5 YEAR PROGRAM)	435713						
11	00	1ST PERIOD	435713	17.56	1.76	3.00	3.00	25.32	
11	01	2ND PERIOD	435713	21.95	2.20	3.00	3.00	30.15	
11	02	3RD PERIOD	435713	26.34	2.63	3.00	3.00	34.97	
11	03	4TH PERIOD	435713	30.73	3.07	3.00	3.00	39.80	
11	04	5TH PERIOD	435713	35.12	3.51	3.00	3.00	44.63	
		CIVIL APPRENTICE (4 YEAR PROGRAM)	435714						
12	00	1ST PERIOD	435714	21.95	2.20	3.00	3.00	30.15	
12	01	2ND PERIOD	435714	26.34	2.63	3.00	3.00	34.97	
12	02	3RD PERIOD	435714	30.73	3.07	3.00	3.00	39.80	
12	03	4TH PERIOD	435714	35.12	3.51	3.00	3.00	44.63	
21	09	ELECTRICAL FORESTER SENIOR FOREPERSON	415363	45.17	4.52	3.00	3.00	55.69	
21	08	ELECTRICAL FORESTER FOREPERSON	415364	43.99	4.40	3.00	3.00	54.39	
21	07	ELECTRICAL FORESTER SUBFOREPERSON	415351	41.64	4.16	3.00	3.00	51.80	
21	06	ELECTRICAL FORESTER JOURNEYPerson	415331	39.28	3.93	3.00	3.00	49.21	
21	05	STOCKKEEPER	427502	39.28	3.93	3.00	3.00	49.21	

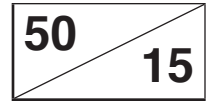
HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
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GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
21	10	UNCERTIFIED CIVIL TRADESPERSON - LINES	002702	39.28	3.93	3.00	3.00	49.21
21	11	UNCERTIFIED CIVIL TRADESPERSON - STATIONS SERVICES	002703	39.28	3.93	3.00	3.00	49.21
		ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM)	415311					
21	00	1ST PERIOD	415311	19.64	1.96	3.00	3.00	27.60
21	01	2ND PERIOD	415311	23.57	2.36	3.00	3.00	31.93
21	02	3RD PERIOD	415311	27.50	2.75	3.00	3.00	36.25
21	03	4TH PERIOD	415311	31.42	3.14	3.00	3.00	40.56
22	09	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON	415323	37.20	3.72	3.00	3.00	46.92
22	08	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON	415324	36.23	3.62	3.00	3.00	45.85
22	07	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON	415325	34.29	3.43	3.00	3.00	43.72
22	06	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPERSON	415313	32.35	3.24	3.00	3.00	41.59
23	09	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON	415319	29.23	2.92	3.00	3.00	38.15
23	08	ELECTRICAL FORESTER (LABOURER) FOREPERSON	415318 (1)	28.47	2.85	3.00	3.00	37.32
23	07	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON	415317 (1)	26.95	2.70	3.00	3.00	35.65
23	06	ELECTRICAL FORESTER (LABOURER) JOURNEYPERSON	415316 (1)	25.42	2.54	3.00	3.00	33.96
24	01	METER READER	461105	31.42	3.14	3.00	3.00	40.56
25	00	GENERAL HELPER	461106	25.42	2.54	3.00	3.00	33.96
26	00	METER READER 'B'	461107	26.57	2.66	3.00	3.00	35.23
22	00	METER READER/DATA COLLECTOR	000677 (2)	35.99	3.60	3.00	3.00	45.59
27	01	Operator 1	461108	43.01	4.30	3.00	3.00	53.31
27	02	Operator 2	461109	49.33	4.93	3.00	3.00	60.26
27	03	Operator 3	461102	50.99	5.10	3.00	3.00	62.09
30	01	P&C Technologist	001402	49.66	4.97	3.00	3.00	60.63
31	01	CLERICAL I*	003226	31.86	3.19	3.00	3.00	41.05
31	02	CLERICAL II*	003227	35.92	3.59	3.00	3.00	45.51
32	01	AMI OPERATOR*	003276	35.92	3.59	3.00	3.00	45.51

**HYDRO ONE
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Note: The normal weekly hours of work for all employees of Employers is forty (40).

* Added to the wage schedules for the term of the collective agreement.

OVERTIME RATES:

Monday-Friday Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.
Saturday, Sunday & Holidays: 2 times for all hours worked.
Non-Scheduled Work Days: 2 times for all hours worked.

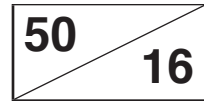
- (1) Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.
- (2) When required to perform the work of "cable locates" the Meter Reader/Data Collector classification will receive an additional \$1.01 per hour on top of their

**Hydro One Labour Relations
Effective: April 1-2015**

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
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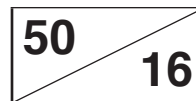
GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
01	09	LINES SENIOR FOREPERSON	411164	53.74	5.37	3.00	3.00	65.11
02	09	MECHANICAL SENIOR FOREPERSON	435362	53.74	5.37	3.00	3.00	65.11
03	09	ELECTRICAL SENIOR FOREPERSON	411061	53.74	5.37	3.00	3.00	65.11
01	08	LINES FOREPERSON	411165	52.34	5.23	3.00	3.00	63.57
02	08	MECHANICAL FOREPERSON	435363	52.34	5.23	3.00	3.00	63.57
03	08	ELECTRICAL FOREPERSON	411062	52.34	5.23	3.00	3.00	63.57
01	07	LINES SUBFOREPERSON	411153	49.53	4.95	3.00	3.00	60.48
02	07	MECHANICAL SUBFOREPERSON	435352	49.53	4.95	3.00	3.00	60.48
03	07	ELECTRICAL SUBFOREPERSON	411051	49.53	4.95	3.00	3.00	60.48
01	06	LINES JOURNEYPerson	411134	46.73	4.67	3.00	3.00	57.40
02	06	MECHANICAL JOURNEYPerson	435332	46.73	4.67	3.00	3.00	57.40
03	06	ELECTRICAL JOURNEYPerson	411031	46.73	4.67	3.00	3.00	57.40
05	06	CABLE SPLICER JOURNEYPerson	001377	46.73	4.67	3.00	3.00	57.40
		ELECTRICAL APPRENTICE (5 YEAR PROGRAM)	411113					
		MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM)	435312					
		CABLE SPLICER APPRENTICE (5 YEAR PROGRAM)	001727					
01	00	1ST PERIOD	001727, 435312, 411067	18.69	1.87	3.00	3.00	26.56
01	01	2ND PERIOD	001727, 435312, 411067	23.37	2.34	3.00	3.00	31.71
01	02	3RD PERIOD	001727, 435312, 411067	28.04	2.80	3.00	3.00	36.84
01	03	4TH PERIOD	001727, 435312, 411067	32.71	3.27	3.00	3.00	41.98
01	04	5TH PERIOD	001727, 435312, 411067	37.38	3.74	3.00	3.00	47.12
		LINES APPRENTICE (4 YEAR PROGRAM)	410312					
02	00	1ST PERIOD	410312	23.37	2.34	3.00	3.00	31.71
02	01	2ND PERIOD	410312	28.04	2.80	3.00	3.00	36.84
02	02	3RD PERIOD	410312	32.71	3.27	3.00	3.00	41.98
02	03	4TH PERIOD	410312	37.38	3.74	3.00	3.00	47.12

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
 SCHEDULES
 CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
 SALARY SCHEDULE 50



GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE	
		MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM)	435313						
02	10	1ST PERIOD	435313	28.04	2.80	3.00	3.00	36.84	
02	11	2ND PERIOD	435313	32.71	3.27	3.00	3.00	41.98	
02	12	3RD PERIOD	435313	37.38	3.74	3.00	3.00	47.12	
02	13	4TH PERIOD	435313	42.06	4.21	3.00	3.00	52.27	
06	06	AREA DISTRIBUTION ENGINEERING TECHNICIAN*	003228	46.73	4.67	3.00	3.00	57.40	NEW
07	06	METER TECHNICIAN*	003229	46.73	4.67	3.00	3.00	57.40	NEW
08	06	FORESTRY TECHNICIAN*	003230	46.73	4.67	3.00	3.00	57.40	NEW
11	09	CIVIL SENIOR FOREPERSON	435764	51.05	5.11	3.00	3.00	62.16	
11	08	CIVIL FOREPERSON	435763	49.72	4.97	3.00	3.00	60.69	
11	07	CIVIL SUBFOREPERSON	435753	47.05	4.71	3.00	3.00	57.76	
11	06	CIVIL JOURNEYPERSON	435733	44.39	4.44	3.00	3.00	54.83	
		CIVIL APPRENTICE (5 YEAR PROGRAM)	435713						
11	00	1ST PERIOD	435713	17.76	1.78	3.00	3.00	25.54	
11	01	2ND PERIOD	435713	22.20	2.22	3.00	3.00	30.42	
11	02	3RD PERIOD	435713	26.63	2.66	3.00	3.00	35.29	
11	03	4TH PERIOD	435713	31.07	3.11	3.00	3.00	40.18	
11	04	5TH PERIOD	435713	35.51	3.55	3.00	3.00	45.06	
		CIVIL APPRENTICE (4 YEAR PROGRAM)	435714						
12	00	1ST PERIOD	435714	22.20	2.22	3.00	3.00	30.42	
12	01	2ND PERIOD	435714	26.63	2.66	3.00	3.00	35.29	
12	02	3RD PERIOD	435714	31.07	3.11	3.00	3.00	40.18	
12	03	4TH PERIOD	435714	35.51	3.55	3.00	3.00	45.06	
21	09	ELECTRICAL FORESTER SENIOR FOREPERSON	415363	45.68	4.57	3.00	3.00	56.25	
21	08	ELECTRICAL FORESTER FOREPERSON	415364	44.49	4.45	3.00	3.00	54.94	
21	07	ELECTRICAL FORESTER SUBFOREPERSON	415351	42.10	4.21	3.00	3.00	52.31	
21	06	ELECTRICAL FORESTER JOURNEYPERSON	415331	39.72	3.97	3.00	3.00	49.69	
21	05	STOCKKEEPER	427502	39.72	3.97	3.00	3.00	49.69	

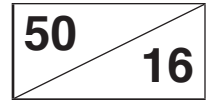
HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
SCHEDULES
CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
SALARY SCHEDULE 50



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GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
21	10	UNCERTIFIED CIVIL TRADESPERSON - LINES	002702	39.72	3.97	3.00	3.00	49.69
21	11	UNCERTIFIED CIVIL TRADESPERSON - STATIONS SERVICES	002703	39.72	3.97	3.00	3.00	49.69
		ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM)	415311					
21	00	1ST PERIOD	415311	19.86	1.99	3.00	3.00	27.85
21	01	2ND PERIOD	415311	23.83	2.38	3.00	3.00	32.21
21	02	3RD PERIOD	415311	27.80	2.78	3.00	3.00	36.58
21	03	4TH PERIOD	415311	31.78	3.18	3.00	3.00	40.96
22	09	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON	415323	37.62	3.76	3.00	3.00	47.38
22	08	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON	415324	36.64	3.66	3.00	3.00	46.30
22	07	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON	415325	34.67	3.47	3.00	3.00	44.14
22	06	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPERSON	415313	32.71	3.27	3.00	3.00	41.98
23	09	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON	415319	29.56	2.96	3.00	3.00	38.52
23	08	ELECTRICAL FORESTER (LABOURER) FOREPERSON	415318 (1)	28.78	2.88	3.00	3.00	37.66
23	07	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON	415317 (1)	27.24	2.72	3.00	3.00	35.96
23	06	ELECTRICAL FORESTER (LABOURER) JOURNEYPERSON	415316 (1)	25.70	2.57	3.00	3.00	34.27
24	01	METER READER	461105	31.78	3.18	3.00	3.00	40.96
25	00	GENERAL HELPER	461106	25.70	2.57	3.00	3.00	34.27
26	00	METER READER 'B'	461107	26.89	2.69	3.00	3.00	35.58
22	00	METER READER/DATA COLLECTOR	000677 (2)	36.41	3.64	3.00	3.00	46.05
27	01	Operator 1	461108	43.49	4.35	3.00	3.00	53.84
27	02	Operator 2	461109	49.87	4.99	3.00	3.00	60.86
27	03	Operator 3	461102	51.55	5.16	3.00	3.00	62.71
30	01	P&C Technologist	001402	50.22	5.02	3.00	3.00	61.24
31	01	CLERICAL I*	003226	32.24	3.22	3.00	3.00	41.46
31	02	CLERICAL II*	003227	36.34	3.63	3.00	3.00	45.97
32	01	AMI OPERATOR*	003276	36.34	3.63	3.00	3.00	45.97

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
SCHEDULES
CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
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* Added to the wage schedules for the term of the collective agreement.

OVERTIME RATES:

Monday-Friday Scheduled Work Days - 1 1/2 times for up to and including 2 hours beyond the normal daily scheduled number of hours. This applies for both 4 day x 10 hours per day schedule and 5 day by 8 hour per day schedule.
Saturday, Sunday & Holidays: 2 times for all hours worked.
Non-Scheduled Work Days: 2 times for all hours worked.

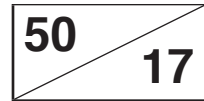
- (1) Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.
- (2) When required to perform the work of "cable locates" the Meter Reader/Data Collector classification will receive an additional \$1.01 per hour on top of their

**Hydro One Labour Relations
Effective: April 1-2016**

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
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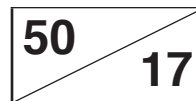
GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
01	09	LINES SENIOR FOREPERSON	411164	54.34	5.43	3.00	3.00	65.77
02	09	MECHANICAL SENIOR FOREPERSON	435362	54.34	5.43	3.00	3.00	65.77
03	09	ELECTRICAL SENIOR FOREPERSON	411061	54.34	5.43	3.00	3.00	65.77
01	08	LINES FOREPERSON	411165	52.92	5.29	3.00	3.00	64.21
02	08	MECHANICAL FOREPERSON	435363	52.92	5.29	3.00	3.00	64.21
03	08	ELECTRICAL FOREPERSON	411062	52.92	5.29	3.00	3.00	64.21
01	07	LINES SUBFOREPERSON	411153	50.09	5.01	3.00	3.00	61.10
02	07	MECHANICAL SUBFOREPERSON	435352	50.09	5.01	3.00	3.00	61.10
03	07	ELECTRICAL SUBFOREPERSON	411051	50.09	5.01	3.00	3.00	61.10
01	06	LINES JOURNEYPERSON	411134	47.25	4.73	3.00	3.00	57.98
02	06	MECHANICAL JOURNEYPERSON	435332	47.25	4.73	3.00	3.00	57.98
03	06	ELECTRICAL JOURNEYPERSON	411031	47.25	4.73	3.00	3.00	57.98
05	06	CABLE SPLICER JOURNEYPERSON	001377	47.25	4.73	3.00	3.00	57.98
		ELECTRICAL APPRENTICE (5 YEAR PROGRAM)	411113					
		MECHANICAL TRADE APPRENTICE (5 YEAR PROGRAM)	435312					
		CABLE SPLICER APPRENTICE (5 YEAR PROGRAM)	001727					
01	00	1ST PERIOD	001727, 435312, 411067	18.90	1.89	3.00	3.00	26.79
01	01	2ND PERIOD	001727, 435312, 411067	23.63	2.36	3.00	3.00	31.99
01	02	3RD PERIOD	001727, 435312, 411067	28.35	2.84	3.00	3.00	37.19
01	03	4TH PERIOD	001727, 435312, 411067	33.08	3.31	3.00	3.00	42.39
01	04	5TH PERIOD	001727, 435312, 411067	37.80	3.78	3.00	3.00	47.58
		LINES APPRENTICE (4 YEAR PROGRAM)	410312					
02	00	1ST PERIOD	410312	23.63	2.36	3.00	3.00	31.99
02	01	2ND PERIOD	410312	28.35	2.84	3.00	3.00	37.19
02	02	3RD PERIOD	410312	33.08	3.31	3.00	3.00	42.39
02	03	4TH PERIOD	410312	37.80	3.78	3.00	3.00	47.58

HYDRO ONE
 PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
 SCHEDULES
 CERTIFIED TRADES (OTHER THAN CIVIL TRADES)
 SALARY SCHEDULE 50



GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE	
		MECHANICAL TRADES APPRENTICE (4 YEAR PROGRAM)	435313						
02	10	1ST PERIOD	435313	28.35	2.84	3.00	3.00	37.19	
02	11	2ND PERIOD	435313	33.08	3.31	3.00	3.00	42.39	
02	12	3RD PERIOD	435313	37.80	3.78	3.00	3.00	47.58	
02	13	4TH PERIOD	435313	42.53	4.25	3.00	3.00	52.78	
06	06	AREA DISTRIBUTION ENGINEERING TECHNICIAN*	003228	47.25	4.73	3.00	3.00	57.98	NEW
07	06	METER TECHNICIAN*	003229	47.25	4.73	3.00	3.00	57.98	NEW
08	06	FORESTRY TECHNICIAN*	003230	47.25	4.73	3.00	3.00	57.98	NEW
11	09	CIVIL SENIOR FOREPERSON	435764	51.62	5.16	3.00	3.00	62.78	
11	08	CIVIL FOREPERSON	435763	50.28	5.03	3.00	3.00	61.31	
11	07	CIVIL SUBFOREPERSON	435753	47.58	4.76	3.00	3.00	58.34	
11	06	CIVIL JOURNEYPerson	435733	44.89	4.49	3.00	3.00	55.38	
		CIVIL APPRENTICE (5 YEAR PROGRAM)	435713						
11	00	1ST PERIOD	435713	17.96	1.80	3.00	3.00	25.76	
11	01	2ND PERIOD	435713	22.45	2.25	3.00	3.00	30.70	
11	02	3RD PERIOD	435713	26.93	2.69	3.00	3.00	35.62	
11	03	4TH PERIOD	435713	31.42	3.14	3.00	3.00	40.56	
11	04	5TH PERIOD	435713	35.91	3.59	3.00	3.00	45.50	
		CIVIL APPRENTICE (4 YEAR PROGRAM)	435714						
12	00	1ST PERIOD	435714	22.45	2.25	3.00	3.00	30.70	
12	01	2ND PERIOD	435714	26.93	2.69	3.00	3.00	35.62	
12	02	3RD PERIOD	435714	31.42	3.14	3.00	3.00	40.56	
12	03	4TH PERIOD	435714	35.91	3.59	3.00	3.00	45.50	
21	09	ELECTRICAL FORESTER SENIOR FOREPERSON	415363	46.18	4.62	3.00	3.00	56.80	
21	08	ELECTRICAL FORESTER FOREPERSON	415364	44.98	4.50	3.00	3.00	55.48	
21	07	ELECTRICAL FORESTER SUBFOREPERSON	415351	42.57	4.26	3.00	3.00	52.83	
21	06	ELECTRICAL FORESTER JOURNEYPerson	415331	40.16	4.02	3.00	3.00	50.18	
21	05	STOCKKEEPER	427502	40.16	4.02	3.00	3.00	50.18	

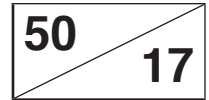
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GRADE	STEP	CLASSIFICATIONS	OCCUPATION CODES	BASE HOURLY RATE	VACATION & STAT HOLIDAY	PENSION	WELFARE	TOTAL WAGE PCKGE
21	10	UNCERTIFIED CIVIL TRADESPERSON - LINES	002702	40.16	4.02	3.00	3.00	50.18
21	11	UNCERTIFIED CIVIL TRADESPERSON - STATIONS SERVICES	002703	40.16	4.02	3.00	3.00	50.18
		ELECTRICAL FORESTER APPRENTICE (4 YEAR PROGRAM)	415311					
21	00	1ST PERIOD	415311	20.08	2.01	3.00	3.00	28.09
21	01	2ND PERIOD	415311	24.10	2.41	3.00	3.00	32.51
21	02	3RD PERIOD	415311	28.11	2.81	3.00	3.00	36.92
21	03	4TH PERIOD	415311	32.13	3.21	3.00	3.00	41.34
22	09	ELECTRICAL FORESTER (SKID OPERATOR) SR FOREPERSON	415323	38.04	3.80	3.00	3.00	47.84
22	08	ELECTRICAL FORESTER (SKID OPERATOR) FOREPERSON	415324	37.05	3.71	3.00	3.00	46.76
22	07	ELECTRICAL FORESTER (SKID OPERATOR) SUBFOREPERSON	415325	35.06	3.51	3.00	3.00	44.57
22	06	ELECTRICAL FORESTER (SKID OPERATOR) JOURNEYPERSON	415313	33.08	3.31	3.00	3.00	42.39
23	09	ELECTRICAL FORESTER (LABOURER) SENIOR FOREPERSON	415319	29.89	2.99	3.00	3.00	38.88
23	08	ELECTRICAL FORESTER (LABOURER) FOREPERSON	415318 (1)	29.11	2.91	3.00	3.00	38.02
23	07	ELECTRICAL FORESTER (LABOURER) SUBFOREPERSON	415317 (1)	27.55	2.76	3.00	3.00	36.31
23	06	ELECTRICAL FORESTER (LABOURER) JOURNEYPERSON	415316 (1)	25.99	2.60	3.00	3.00	34.59
24	01	METER READER	461105	32.13	3.21	3.00	3.00	41.34
25	00	GENERAL HELPER	461106	25.99	2.60	3.00	3.00	34.59
26	00	METER READER 'B'	461107	27.22	2.72	3.00	3.00	35.94
22	00	METER READER/DATA COLLECTOR	000677 (2)	36.83	3.68	3.00	3.00	46.51
27	01	Operator 1	461108	43.98	4.40	3.00	3.00	54.38
27	02	Operator 2	461109	50.43	5.04	3.00	3.00	61.47
27	03	Operator 3	461102	52.13	5.21	3.00	3.00	63.34
30	01	P&C Technologist	001402	50.77	5.08	3.00	3.00	61.85
31	01	CLERICAL I*	003226	32.61	3.26	3.00	3.00	41.87
31	02	CLERICAL II*	003227	36.75	3.68	3.00	3.00	46.43
32	01	AMI OPERATOR*	003276	36.75	3.68	3.00	3.00	46.43

**HYDRO ONE
PWU CONSTRUCTION AND SUPPLEMENTARY MAINTENANCE APPENDIX WAGE
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PAGE 4 OF 4

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Non-Scheduled Work Days: 2 times for all hours worked.

- (1) Licensed spray applicators will be paid \$1.25 per hour in addition to their normal rate of pay.
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**Hydro One Labour Relations
Effective: April 1-2017**

NOTES

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COLLECTIVE AGREEMENT

BETWEEN

HYDRO ONE INC.
(“Hydro One” or “The Employer”)

AND

THE SOCIETY OF ENERGY PROFESSIONALS
(“The Society” or “The Union”)



April 1, 2013 - March 31, 2016

IN WITNESS THEREOF the parties hereto have caused the Agreement to be executed by their proper officers duly authorized in that behalf at Toronto, Ontario.

Hydro One Inc.

The Society of Energy Professionals

Date

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PART I – MANAGEMENT RIGHTS

1 MANAGERIAL RIGHTS OF THE COMPANY

Hydro One Inc. has and shall retain the exclusive right and power to manage its business and direct its working forces, including, but without restricting the generality of the foregoing, the right to hire, suspend, discharge, promote, demote and discipline any employee. Hydro One shall exercise the said functions in accordance with the provisions of the Collective Agreement.

PART II - RECOGNITION

2 RECOGNITION CLAUSE

2.1 Provincial Jurisdiction

Hydro One Inc. recognizes the Society as the exclusive bargaining agent for a bargaining unit comprised of:

All employees employed in Hydro One Inc., hereinafter known as Hydro One, in the Province of Ontario employed as supervisors, professional engineers, engineers-in-training, scientists, and professional, administrative and associated employees, save and except for persons who perform managerial functions as distinct from supervisory functions; persons employed in a confidential capacity with respect to labour relations; and persons in bargaining units for which any trade union held bargaining rights as of November 13, 1991.

2.2 Federal Jurisdiction

The Society was certified in May 1995 under the Canada Labour Code for a bargaining unit comprised of the following:

All employees of Ontario Hydro employed by Ontario Hydro Nuclear (OHN) in the Province of Ontario employed as supervisors, professional engineers, engineers-in-training, scientists, and professional, administrative and associated employees, save and except for persons who perform managerial functions as distinct from supervisory functions; persons employed in a confidential capacity with respect to labour relations; and persons in bargaining units for which any trade union held bargaining rights as of November 13, 1991.

On April 1, 1998, jurisdiction for labour relations for the above Ontario Hydro noted federal bargaining unit was delegated to the Province of Ontario.

2.3 Clarity Notes

2.3.1 For the purposes of clarity, the bargaining units set out above:

Include:

- a) all regular, probationary, graduate students, reduced-hours and temporary employees whose functions are included in the classifications paid from Salary Schedules 01, 02 and 03.

Exclude:

- a) those persons who perform managerial functions as distinct from supervisory functions. An employee is performing managerial functions if:
 - i) she/he performs managerial functions such as hiring, promotion, performance **management and step progression**, discharge, etc., over other employees in the bargaining unit; and

she/he is required to spend the majority of his/her time performing managerial duties; and

she/he supervises at least seven (7) employees (directly and indirectly) on a regular and continuous basis; or

- ii) she/he supervises persons who are excluded from the Society's bargaining unit by reason of performing managerial functions or being employed in a confidential capacity with respect to labour relations.

2.3.2 Definitions

- a) "Supervisors" means employees who primarily perform supervisory functions, including the requirement to make recommendations regarding any staff or personnel matter. These staff or personnel matters include, but are not limited to, such areas as selection, promotion, appraisal, discipline, transfer, staffing needs, work methods, changes in terms and conditions of employment, grievances, or the interpretation and administration of the applicable Collective Agreement. "Supervisors" includes employees in other employee classifications who perform supervisory functions.
- b) "Professional engineer" means either: a) an employee who is a member of the engineering profession entitled to practice in Ontario and employed in a professional capacity; or b) an employee with equivalent credentials who is in a position that requires engineering expertise and specialized knowledge. This definition includes all employee categories included under the heading of "Professional Engineer" listed in Attachment A to Appendix I "Utilization and Advancement of Professional Engineers and Scientists" in this Agreement. "Professional engineers" includes employees who satisfy these criteria and who are required to perform supervisory functions.
- c) "Engineers-in-training" means an employee who has completed a course of specialized instruction in engineering sciences and graduated from a university or similar institution, who has not satisfied all the requirements for practicing as a professional engineer and who is on a structured training program to partially satisfy these requirements.
- d) "Scientists" means employees who are university graduates in the Natural Sciences, the Applied Sciences, Mathematics or Computer Sciences, who are not classified as professional engineers, and who are engaged in the application of this specialized knowledge in the course of their employment. This definition includes all incumbents in positions identified under the heading of "Scientists" listed in Attachment A to Appendix I entitled "Utilization and Advancement of Professional Engineers and Scientists" in this Agreement. "Scientists" includes employees who satisfy these criteria and who are required to perform supervisory functions.
- e) "Professional employee" means an employee who:
 - i) in the course of his/her employment is engaged in the application of specialized knowledge ordinarily acquired by a course of instruction and study resulting in graduation from a university or similar institution; and

- ii) is eligible to be a member of a professional organization that is authorized by statute to establish the qualifications for membership in the organization; or
- iii) performs the functions, but lacks the qualifications of a professional employee.

“Professional employees” include employees who satisfy these criteria and who are required to perform supervisory functions.

- f) “Administrative employee” means an employee who normally supervises persons engaged in office administration, construction, security or maintenance work who are represented by another trade union. This definition includes employees who share a community of interest with “supervisors”.
- g) “Associated employees” means employees in positions which normally require a university degree or equivalent education or experience. This definition encompasses employees who share a community of interest with “professional engineers”, “scientists” or “professionals” and includes, but is not limited to, Nurses. “Associated employees” includes employees who satisfy these criteria and who are required to perform supervisory functions.

2.4 Supervisory Employees - Code of Ethics

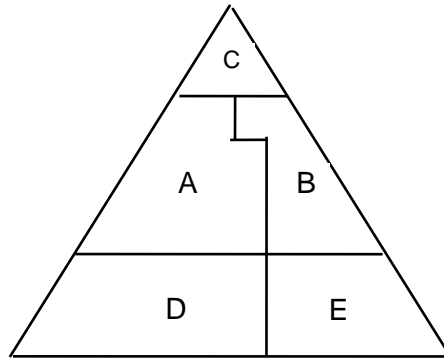
Hydro One agrees to include supervisory employees in the bargaining unit on the condition that the parties recognize that supervisory employees will continue to exercise key functions in the control and operation of Hydro One. As members of Hydro One’s managerial staff, supervisors use judgment to express and make operative the decisions of Management. They are responsible for fostering a healthy work environment. The parties recognize the responsibility of supervisors to discharge their supervisory duties in good faith. The Society and Hydro One will identify, minimize and/or avoid the conflicts/perceived conflicts of interest that may arise concerning the relationship between supervisors, the Society and Hydro One.

It is recognized that supervisory employees may be disciplined for failure to act in good faith as a representative of Management and fulfilling their responsibilities including abuse of supervisory position and breach of trust.

2.5 Exclusions Process

Hydro One and the Society agree to the following process for the purpose of excluding new and changed positions from the Society’s jurisdiction.

1. **a** The following new or changed job documents or their electronic equivalents in Scenarios A to D will be sent to the Society for their review:



- A - Society Jobs
 B – **Band 7 & 8 MCP** Jobs
 C – **Band 6 and above MCP** Jobs
 D - Borderline Society/PWU Jobs
 E – **Band 8 and below MCP** Jobs

Scenario	New Jobs	Revised Jobs
A	Documents will be sent to the Society after finalization.	i) If job leaves Society jurisdiction, documents will be sent to the Society before finalization. ii) If Society jurisdiction does not change, documents will be sent to the Society after finalization.
B	Documents for new Band 7 & 8 MCP jobs will be sent to the Society before finalization.	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.
C	Documents for new Band 6 and above¹ MCP jobs will be sent to the Society before finalization.	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.
D	Documents for the following new jobs not established as PWU jobs in the past will be sent to the Society before finalization: i) supervisory jobs, and ii) non-supervisory jobs which report to a Society-represented position and are paid at the final step rate at or above MP1 reference point.	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.

1. b *Clarity Note regarding the Application of Exclusions Process to New or Changed MCP Jobs that are excluded under the new exclusion criterion (see Appendix III):*

¹ In this section “above Band...” refers to MCP salary bands that are higher in the organizational hierarchy (e.g. Band 5 is above Band 6) and “below Band...” refers to MCP salary bands that are lower in the organizational hierarchy (e.g. Band 6 is below Band 5).

- i. *Vice-President jobs and/or jobs rated Band 4 or above do not need to go through the exclusion process. Hydro One will notify the Society about any applicable new jobs.*
- ii. *The exclusions process does not apply to jobs that have an MCP report.*
- iii. *Subject to (ii) above, the exclusions process will apply to jobs rated Band 5 and below (including but not limited to Bands 6 and 7).*
- iv. *In the event that Hydro One changes the system used to classify MCP jobs, or significantly alters the MCP band structure, the parties will attempt to reach agreement on how to apply the principles set out above to the new/modified classification system. Failing agreement, either party may refer this dispute to a mutually agreeable arbitrator.*

1. c Frozen Landscape

The parties agree that the frozen jurisdictional landscape as agreed to in the May 31, 2007 Memorandum of Agreement will form the basis of the ongoing jurisdictional landscape between the parties. For clarity, Hydro One will not alter or amend any existing Society represented jobs such that as a result they fall outside the Society's jurisdiction. Hydro One can introduce newly created MCP jobs, which will be processed in accordance with the exclusion process. Also, Hydro One can replace individuals who leave existing MCP jobs or add additional positions to existing MCP jobs.

The employer will provide the Society with a complete list of the jobs included in the "frozen landscape", including job title and occupation code. The employer will provide the Society with a written summary of any changes in "frozen landscape" jobs, including job title revisions, every year. These timelines may be amended by mutual agreement.

2. If a new or changed job is excluded from the Society's jurisdiction and the Society has concerns with the exclusion, the parties will meet within 15 days of the exclusion request to attempt to resolve any outstanding issues.
3. If the parties are unable to resolve the issues, the Society can request that the dispute be submitted to expedited arbitration. A hearing will be held within 30 days of the referral, and a decision will be rendered within 15 days of the hearing. Management cannot implement the exclusion until the Arbitrator's decision. The Society must inform Hydro One of their intent to request arbitration within 10 days of the meeting taking place. If the Society does not request arbitration, Hydro One is free to implement the excluded position.
4. Management will notify the Society office of any jurisdictional grievance filed by another trade union against a Society-represented position and will advise the Society of any change in status (e.g., referred to next step, resolved, withdrawn).
5. Attachment 1 is the exclusion form which will be used in accordance with this process. The Society's agreement to exclude any position under this process is without prejudice to its position in any proceedings and will not limit the Society's right to challenge the exclusion at a later point in time.

ATTACHMENT 1 Hydro One Request for Society Exclusion

-Note: Before an occupation code can be issued, completion of the shaded areas by Line Management and/or Human Resources is mandatory.

date	job title	schedule/grade
business unit	division	department

This is a: new document
 revised and previously excluded document - existing occupation code:
 revised and previously included document - existing occupation code:
 Managerial Exclusion Confidential Exclusion Within Another Trade Union

<p>SOCIETY UNIT DIRECTOR</p> <p><input type="checkbox"/> Agreed <input type="checkbox"/> Disagreed</p> <p>If disagreed, why?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Society Unit Director (signature)</p> <p>_____</p> <p>Date: _____</p>	<p>SOCIETY STAFF OFFICER</p> <p><input type="checkbox"/> Agreed <input type="checkbox"/> Disagreed</p> <p>If disagreed, why?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Society Staff Officer (signature)</p> <p>_____</p> <p>Date: _____</p>
--	--

(The Society's agreement to exclude any position from its jurisdiction is without prejudice to challenge this exclusion at a later point.)

<p>Line Management (signature)</p> <p>_____</p> <p>Date: _____</p>	<p>Human Resources Department (signature)</p> <p>_____</p> <p>Date: _____</p>
--	---

Note: See Article 2 of the Society-Hydro One Collective Agreement for the complete Recognition Clause and Letter of Understanding, dated Oct. 4, 1994. For clarification or information regarding exclusion, please contact your Human Resources Officer or Labour Relations - Corporate HR or the Society Office or a Society Unit Director.

2.6 Successor Rights

2.6.1 Hydro One agrees that it will not directly or indirectly request government to exempt the Company or the Society from the successor rights provisions of the applicable labour relations legislation.

2.6.2 The successor rights provisions of the applicable labour relations statute shall be incorporated by reference into this collective agreement. No board of arbitration established pursuant to the grievance and arbitration provisions of this contract has jurisdiction to make any decision within the jurisdiction of the Labour Relations Board and nothing herein is intended to affect the jurisdiction of the Labour Board to resolve disputes related to the application of the provisions of the statute. For purposes of s.48 of the *Ontario Labour Relations Act* and s. 57 of the *Canada Labour Code*, the Ontario Labour Relations Board or the Canada Labour Relations Board shall be deemed to be a Board of Arbitration for the resolution of disputes related to the interpretation, application, administration or alleged violation of this provision of the collective agreement. The remedial powers of the Labour Board shall be as set out in the relevant statutory provisions governing successor rights.

3 EMPLOYEE CLASSIFICATIONS

3.1 Probationary Employees

A probationary employee is an employee who is hired on a trial basis with the prospect of being reclassified as a regular employee, if the employee's performance satisfactorily meets the job requirements. The probation period is normally a minimum of **six (6)** months and a maximum of **twelve (12)** months **upon mutual agreement of the employer and the Society representative²**. After six (6) months, **or after twelve months where an extension has been agreed to**, the employee will either be made regular, transferred to another probationary position or terminated unless there is an expectation that a longer probationary period will result in improvement in a specific area which has been identified to the employee (e.g. completion of a training course or a specific work assignment, interrupted probationary period as a result of parental leave, etc.) The employee's benefits and working conditions are the same as regular employees with exceptions identified in the provisions where different treatment has been agreed to.

3.2 Regular Employees

A regular employee is an employee who has either served the required probationary term or has previously been employed in one of the other categories and has satisfactorily met the job requirements. The employee occupies a position that is considered part of the on-going organization of Hydro One.

3.2.1 Reduced Hours of Work Regular Employees

A reduced hours of work regular employee is an employee who has regular status but works less than the base hours for a full-time position. The employee's

² ***For the meaning and application of the term "Society representatives" throughout this agreement, see Appendix IX ("Designation of Society Representative Contact Persons/Decision-Makers in the Society-Hydro One Collective Agreement")***

benefits and working conditions are pro-rated and based on the entitlements of the regular employees. The pro-rating is described in Article 71 (Reduced Hours of Work).

3.3 Temporary Employees

3.3.1 A temporary employee is an employee who is hired for short-term work assignment which is not ongoing (i.e. normally not extending beyond 24 months). The employee's benefits and working conditions are as per Article 33 (Temporary Employees).

3.3.2 Reduced Hours of Work Temporary Employees

A reduced hours of work temporary employee is an employee who has temporary status but works less than the base hours for a full-time position. The employee's benefits and working conditions are pro-rated as per Article 33 (Temporary Employees).

3.3.3 Student Employees

A student employee is an employee who is hired for short-term work which is not ongoing. He/she is normally in the process of completing his/her post-graduate studies and is expected to return to his/her studies after an agreed employment period. The employee's benefits and working conditions are as per Article 33 (Temporary Employees).

4 SERVICE CREDIT DEFINITIONS

Service credits shall be based on all previous full-time (regular, temporary and casual) service and part-time/reduced hours (regular and temporary) unless otherwise specified. (See Section 9.3 Transition Provisions)

4.1 Established Commencement Date (ECD)

The "ECD" represents the latest date of hire, subject to authorized adjustments for previous service as detailed below.

a) Regular

The ECD for regular employees is calculated by giving service credits for:

- probationary employment;
- 100% of employment service in an acquired company;
- previous regular and temporary (full-time and reduced hours employment), if there has been no break in service exceeding twelve (12) months;
- previous casual construction employment if there was no break in employment exceeding three (3) months (or 12 months for casual construction employees on the Pension and Insurance Plan).

(The ECD has an impact on sick leave and severance pay.)

b) Temporary

The ECD for temporary employees is calculated by giving service credits for:

- previous temporary employment, if there has been no break in service exceeding 3 months and employee has less than 12 months service;
- previous temporary employment, if there has been no break in service exceeding 12 months and employee has greater than 12 months service.

(The ECD has an impact on statutory holidays and floating holidays.)

4.2 Vacation Credit Date (VCD)

The VCD represents all service regardless of breaks. While a regular employee, service credits shall be based on the current ECD and adjusted for all previous periods of Hydro One employment. All employees who currently work reduced hours or have done so in the past, will have such service calculated as if were full time.

(VCD is used to determine vacation bonus.)

4.3 External Experience Value (EEV)

The EEV represents a vacation credit quantity expressed in number of years, months and days for external work experience granted to qualifying regular employees (Section 40.7). The EEV and VCD determine total years credit for vacation entitlement (days) and service-based payment in lieu of notice (Subsection 64.13.1).

4.4 Service Recognition Date (SRD)

The SRD for regular employees represents all service while a Hydro One employee on payroll regardless of breaks in employment. Service credits shall be based on the last hire date and adjusted for all previous periods of Hydro One employment. All employees who currently work reduced hours or have done so in the past, will have such service calculated as if it were full time (it should never be pro-rated).

Authorized Adjustments:

a) Personal Leaves of Absence

SRD includes the time an employee is on "leave", if the employee is on a:

- personal leave of absence with pay; or
- personal leave of absence without pay which is less than 15 working days; or
- personal leave of absence without pay which is more than 15 working days and which was started on or after April 15, 1993 -- only that portion which was taken during the period from April 15, 1993 to August 31, 1997.
- prepaid leave of absence, under the enhanced leaves of absence policy dated April 16, 1993, greater than eight (8) weeks.

b) Pregnancy/Parental Leaves

SRD includes the time an employee is on a pregnancy/parental leave (previously referred to as normal or extended maternity/adoption leave).

c) Job Sharing

SRD is calculated as if the employee is working full-time hours.

d) Work Sharing

SRD is calculated as if the employee is working full-time hours.

(SRD has an impact on recognition of employee service at years 25 and 40, Quarter Century Club Membership and seniority (Article 64).)

4.5 “Eligibility Service” or “Continuous Employment” for Pension Purposes

Generally, it is the number of years (including a portion of a year) a pension plan member has been continuously employed in which there has been no break in employment exceeding 12 months. It includes previous Ontario Hydro/Hydro One pensionable service which has been reinstated; external service which has been transferred into the pension plan under a reciprocal pension transfer agreement; and periods of pregnancy/parental leave. It may include certain types of non-Hydro One regular service purchased under special provisions. It generally excludes leaves of absence without pay except where the employee elects to pay the pension contribution. The exceptions are detailed in the pension rules.

Eligibility Service (ES) is used as an eligibility criterion for early retirement and the associated early retirement discounts; and in conjunction with Membership Service (i.e., the service subsequent to the date actually joining/started contributing to the Plan) and Age, to determine death and termination benefit entitlements.

5 TEMPORARY ASSIGNMENTS

There may be instances when employees are temporarily removed from their normal duties to perform work outside of the Society's bargaining unit. Likewise, employees from outside of the bargaining unit may be assigned temporarily to work within the Society's bargaining unit.

In such instances, the parties agree that:

5.1 Employees Temporarily Excluded from Society Jurisdiction

5.1.1 The Society shall be given prior notice of any temporary assignment exceeding three months' duration that Hydro One considers outside the bargaining unit, along with a rationale for the proposed exclusion.

5.1.2 The Society shall continue to represent employees who have been temporarily removed from their regular positions to perform work outside the bargaining unit for the first three months of the temporary assignment. Dues shall be deducted and remitted to the Society for the three month period.

5.1.3 Except where otherwise specified in this Agreement, Society-represented employees who are temporarily assigned to positions outside the bargaining unit shall have access to all benefits, plans or entitlements under Part X (Health Benefits), Part VII (Pension and Insurance), Part XI (Relocation Assistance), and Articles 64 (Redeployment, Surplus Staff and Change of Employer) and 65 (Vacancies) of the Collective Agreement for the full duration of the assignment.

5.2 Employees Temporarily Included in Society Jurisdiction

5.2.1 Hydro One personnel from outside the Society's bargaining unit who are temporarily assigned work within Society jurisdiction shall be represented by the Society for that portion of the assignment extending beyond three months, and dues shall be deducted for the period beyond three months.

5.2.2 During the period of Society representation, temporarily included employees shall be subject to the provisions of the Collective Agreement, but the following shall not apply:

- Article 31 (**Salary Progression Plan**)
- Part IX (Absence from Work)
- Part X (Health Benefits)
- Part VII (Pension and Insurance)
- Part XI (Relocation Assistance), except for Article 56 (Compensation when Assigned to Temporary Work Headquarters)
- Part XIII (Working Conditions) except for vacancy rights pursuant to Clause 65.6.3.g
- Other provisions or agreements to the extent they concern the above

5.3 Grievance

The Society's Complaint and Grievance/Arbitration procedure shall apply to any dispute relating to an applicable provision of the Society's Collective Agreement, including any dispute as to whether the Collective Agreement is applicable in the circumstances. The employee and/or the employee's bargaining agent retain any rights in respect of terms and conditions of employment to which the Society's Collective Agreement does not apply.

6 EMPLOYEES ON TEMPORARY OUT-OF-PROVINCE ASSIGNMENT

6.1 Terms and Conditions of Employment During Assignment

6.1.1 When a Society-represented employee accepts a temporary assignment outside Ontario, the employee:

- a) retains his/her status as an employee of Hydro One;
- b) continues to accrue service credit for all purposes under Article 4 of the Collective Agreement;
- c) is required to pay Society dues during the term of any assignment beginning on or after January 1, 1995.

- 6.1.2 The employee remains represented by the Society until he or she begins this assignment. When an employee accepts a personal services contract, that contract together with this Article shall constitute the employee's complete terms and conditions of employment for the full term of the assignment. Hydro One will advise the Society after a personal services contract with a Society-represented employee is signed.
- 6.1.3 Hydro One will indemnify, or cause to be indemnified, each employee who, in the course of work on temporary out-of-province assignment, becomes subject to a claim made against him/her or to a threat of discipline from an association with statutory power to apply professional standards. Article 13 will apply unless indemnification provisions specific to a given contract or project are identified in the personal services contract.

6.2 Filling the Pre-Assignment Position

Before the employee commits to the assignment, Management will determine whether it intends to fill the position on a temporary or regular basis and discuss the decision and rationales with the employee. Hydro One will inform the employee of any intent to change this plan while the employee is on an out-of-province assignment.

6.3 Redeployment Upon Completion of Assignment

- 6.3.1 The line manager in the employee's pre-assignment Business Unit shall provide or shall identify appropriate personnel to provide the returning employee with employment-related information and assistance and to carry out the provisions of this Subsection upon completion of the assignment and return to Ontario.
- 6.3.2 When the employee's pre-assignment position with Hydro One continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.
- 6.3.3 When the employee's pre-assignment position with Hydro One no longer exists or has been filled regularly, and the employee is not surplus by operation of Article 64, the employee shall be placed in an Hydro One vacancy for which he/she is qualified, in the following order:
- a) a lateral vacancy within the employee's pre-assignment Business Unit at the pre-assignment location;
 - b) within the pre-assignment Business Unit, a choice of a lateral vacancy at a new location, or a vacancy within two salary grades lower at the pre-assignment location;
 - c) within the pre-assignment Business Unit, a vacancy within two salary grades lower, in a new location;
 - d) redeployment in accordance with Article 64.
- 6.3.4 Placements under Subsection 6.3.3 (a), (b) or (c) above are exceptions to Hydro One posting requirements, consistent with Subsection 65.6.1 (b).

6.3.5 When there is a reasonable expectation that an employee will be placed in a different position upon return from a temporary out-of-province assignment, Hydro One will identify and notify the employee of potential placements. An employee who is not placed within 30 days of completion of the assignment and return to Ontario shall have the right to be redeployed in accordance with Article 64.

6.4 Employment Continuity During Temporary Out-of-Province Assignment

6.4.1 Employees on temporary out-of-province assignments will be neither advantaged nor disadvantaged with respect to rights under Article 64 upon return from the assignment. When an employee's pre-assignment position has been included in a Unit of Application for redeployment under Article 64, the employee will be redeployed in accordance with Article 64.

The Joint Redeployment and Planning Team (JRPT) will consider issues such as:

- the number of employees within the unit of application who are on temporary out-of-province assignments;
- the duration of the assignments;
- the seniority of the affected employees;
- the qualifications of the affected employees;
- the ability to factor the employee into the on-going joint planning efforts (i.e., will the employee be returning during or shortly after the joint planning process);
- the ability to fill positions in the new organization on a temporary assignment basis in order to accommodate a returning employee;
- the need to fill positions in the new organization on a continuing basis;
- the need to keep employees apprised of developments within their unit of application that may impact on their job status during the assignment.

6.4.2 If an employee is declared surplus while he/she is on temporary out-of-province assignment, the employee will be notified and all surplus entitlements will be deferred until the employee completes the assignment and returns to Ontario.

6.4.3 An employee on temporary out-of-province assignment who is subject to redeployment under Article 64 in his/her absence and the JRPT determines:

- a) the employee would have been matched to a position by virtue of seniority and qualifications and is, therefore, deemed not surplus; and
- b) the employee will not be matched in the redeployment; then the employee will be entitled to treatment under Section 6.3 above.

7 LETTERS OF UNDERSTANDING

7.1 Letters of Understanding will form part of this collective agreement. Letters of Understanding are found in Part XVI.

7.2 Letters of Understanding

7.2.1 Intent

A Letter of Understanding may serve the following purposes:

- amend or add to the current provisions of the agreement;
- elaborate/clarify the intentions of a provision of the collective agreement
- establish provisions for issues not covered by the agreement

7.2.2 Grievance/Arbitration

Letters of Understanding are subject to the same grievance and arbitration provisions as are other items in the collective agreement

7.2.3 Approval

Letters of Understanding must bear the signatures of both the Vice-President Labour Relations (for Hydro One) and the Local Vice-President (for the Society) or their designates.

7.2.4 Duration

The parties agree that, for the most part, Letters of Understanding should contain "sunset clauses". In those cases where such a clause has not been put into a Letter of Understanding, the Society and Hydro One will at some time during collective agreement negotiations determine the status of each such Letter of Understanding (e.g., incorporate in to the collective agreement, delete it, extend it, etc.).

PART III - VOLUNTARY RECOGNITION AGREEMENT

8 VRA AMENDMENTS

A Voluntary Recognition Agreement (VRA) between Ontario Hydro and the Society came into effect on January 14, 1992. A complete text of the VRA between Ontario Hydro and the Society is found in Appendix IV. The VRA, as amended in this Article, is applicable to Hydro One. The VRA shall remain in effect thereafter except for Sections 4.0 and 5.0 of the VRA (outlined in Articles 14 and 15 of this Agreement) which may be terminated by written notice by either party not less than six months prior to the expiry of the Collective Agreement in operation on January 1, 2005 or any subsequent Collective Agreement. On January 6, 2003, Hydro One provided the Society with written notice of termination of paragraphs 4.0 and 5.0 of the VRA.

In the event that either party desires to amend the VRA on or after January 1, 2005, it must notify the other party in writing not less than six months prior to the expiry of the Collective Agreement in effect on January 1, 2005 or thereafter six months prior to the expiration of any subsequent Collective Agreement. In such circumstances the parties will have the right, if either party so chooses, to appoint a mutually agreeable mediator for the purpose of reaching a settlement of the issues and where there is mutual agreement the mediator shall arbitrate outstanding matters in dispute.

Notwithstanding the above, the parties may mutually agree to amend the VRA at any time.

8.1 Supervisory Employees

For the purposes of this Article, the parties agree that Supervisory positions are those that are not excluded under Article 2.0 above and that satisfy the following criteria:

- a) Employees on Salary Schedule 01 who under Plan A "Nature of Supervision" have either Degree 3 (or higher) or its equivalent;
- b) Employees on Schedules 02 or 03 on condition they normally supervise other employees.

PART IV - COLLECTIVE AGREEMENT TERM - NO STRIKE/NO LOCKOUT

9 COLLECTIVE AGREEMENT TERM - NO STRIKE/NO LOCKOUT

9.1 This Collective Agreement shall remain in effect from **April 1, 2013 to March 31, 2016** inclusive and, thereafter, shall be renewed automatically from year to year unless either Party notifies the other in writing not less than 90 days prior to the expiration of the Collective Agreement that it desires to amend the Collective Agreement.

9.2 No Strike/No Lockout

The Society, employees within the scope of the bargaining unit, and Hydro One are pledged to the effective and efficient operation of Hydro One and they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production during the term of the Agreement.

Nothing in this Collective Agreement is intended to interfere with the exercise of lawful economic sanctions under the *Ontario Labour Relations Act* and the *Canada Labour Code* by any member of the bargaining unit or bargaining units as the case may be or by the Society itself should either party to the Agreement elect to terminate Sections 4.0 and 5.0 of the Voluntary Recognition Agreement.

9.3 Transition Provisions

9.3.1 The following transitional provisions have no application to any person who was not an employee on January 1, 1999.

9.3.2 The term "bargaining unit" for the purposes of Section 9.3 herein ("this Section") will mean the Society bargaining unit with one of Ontario Power Generation Inc. (Nuclear), Ontario Power Generation Inc. (Non - Nuclear), Hydro One Inc., Independent Market Operator or Electrical Safety Authority.

9.3.3 After December 31, 2002, an employee in a bargaining unit who is declared surplus, who is eligible to exercise rights under *the* "Pre Mix and Match Surplus Declarations" LOU (dated March 31, 1995) or who has recall rights is eligible to apply to posted vacancies in another bargaining unit. Such applicant will be given fair and objective consideration for employment before new hires. A successful applicant will transfer his or her service to the new Employer in accordance with paragraph 9.3.5, below. No employee hired under this provision will be entitled to any relocation or moving expense under the provisions of any Collective Agreement.

9.3.4 An employee in a bargaining unit, to the extent he/she is not subject to other selection – provisions in this Section, may apply for posted vacancies and placement in another bargaining unit as an external applicant on the basis of Article 65.6.3(h).

9.3.5 Any successful applicant to a position in another bargaining unit shall transfer all accumulated service, vacation, seniority, pension, and sick leave credits as set out in Articles 4 ("Service Credits"), 44 ("Sick Leave Plan") and 64

("Redeployment, Surplus Staff Procedure and Change of Employer") to the new employer. The employee shall be reimbursed by the former employer for all his or her outstanding accumulated vacation, including current year, bonus, banked and deferred vacation, as applicable under Article 40 ("Vacation") according to the collective agreement with the former employer. The provisions of this paragraph also apply to employees changing bargaining units pursuant to LOU #4.

- 9.3.6 Priority consideration for vacancies and service credit transfer under this Article shall only apply where it is reciprocated in the collective agreement of the bargaining unit from which the employee is applying/transferring.

PART V - UNION SECURITY

10 SOCIETY MEMBERSHIP AND DUES DEDUCTION

10.1 Membership in the Society

The Society agrees to permit members to withdraw from membership in the Society.

10.2 Dues Deduction (Rand Formula)

Society dues, as prescribed by the Society Constitution, or an equivalent amount, shall be deducted monthly (or more frequently if agreed) by Hydro One by compulsory payroll deductions from all Society-represented employees and shall be forwarded to the Society on their behalf with a list of appropriate employee information.

The Society confirms it will respect the applicable provisions of the *Ontario Labour Relations Act (RSO 1990)* and the *Canada Labour Code* with respect to bona fide religious convictions or beliefs.

11 PRINCIPLES REGARDING INVOLVEMENT WITH RESPECT TO SUCCESSOR RIGHTS

Consistent with the parties' commitment to deal with issues in an open and co-operative manner with the earliest possible involvement of each party, the parties have developed the following principles and intent:

- a) Prior to the finalization of negotiations that could lead to the sale of all or part of the business, privatization of all or part of a Business Unit, the creation of joint ventures or partnerships or other enterprises which could adversely impact on the Society's bargaining rights or the contractual rights of its members, the Society will be consulted to the extent that circumstances reasonably permit. The Society agrees that confidentiality will be maintained.
- b) The parties agree to attempt to minimize the negative impacts on Hydro One employees in these circumstances.
- c) Hydro One agrees to apprise any external third party involved in negotiations that Hydro One has employees represented by the Society and Hydro One will undertake to provide the Society with an opportunity to present its interests to the third party.

PART VI - DISPUTE RESOLUTION PROCESSES

12 No DISCRIMINATION

12.1 Human Rights

Every employee has a right to be free of harassment and discrimination in the workplace on the basis of prohibited grounds, as outlined in the Hydro One Human Rights Policy. An employee who has a harassment or discrimination complaint on the basis of these grounds will have access to Hydro One's Human Rights and Harassment Complaints resolution policy process or the grievance process.

Any Society-represented employee involved in Hydro One's Human Rights and Complaints process may consult with and be accompanied by a Society representative if he or she chooses to do so. No record of a complaint will be maintained in an employee's personnel file, except in the case of individuals who have received disciplinary action. Any person against whom a formal complaint is filed must be given particulars of the complaint.

As long as an employee has an active complaint of discrimination or harassment on the basis of prohibited grounds, either under Hydro One's Human Rights and Complaints process or with the Human Rights Commission, the Society will not make such a complaint or Hydro One's process the subject of a grievance on the employee's behalf.

12.2 Union Activity

Hydro One shall not discriminate against an employee on the basis of membership or activity in the Society. An employee who has a complaint of such discrimination shall have the right to seek redress under the Grievance and Arbitration Procedure.

13 EMPLOYEE INDEMNIFICATION

13.1 Hydro One will provide assistance and financial indemnification to an employee who, as a consequence of performing the normal duties of his or her job for Hydro One, is made, or threatened to be made, a party to a civil action or a criminal proceeding (other than for offences under the Criminal Code of Canada) or quasi-criminal proceeding, or other administrative proceeding (such as formal complaint filed with the Human Rights Commission), or is subject to a threat of discipline or actual discipline from an association that is empowered by statute to regulate professional standards. This assistance will include independent legal representation at Hydro One's expense, subject to Hydro One's approval of the employee's choice of his/her counsel.

Notwithstanding the above paragraph, Hydro One will not provide financial indemnification to an employee considered by Hydro One to have acted with dishonesty, bad faith, or with intentional or reckless disregard for the best interests of Hydro One.

An employee who is subject to prosecution under criminal law (Criminal Code of Canada) as a consequence of performing the normal duties of his/her job and found to be not guilty, or against whom charges have been dropped, may receive financial indemnification.

14 VOLUNTARY RECOGNITION AGREEMENT DISPUTES

14.1 Enforcement

The primary method of enforcement of the Voluntary Recognition Agreement shall be pursuant to the grievance and arbitration provision in this Collective Agreement. However, should the Collective Agreement not be in operation or applicable to the dispute, either party shall have the right to refer to final and binding arbitration any differences between the parties arising from the interpretation, application, administration or alleged violation of the Voluntary Recognition Agreement, including any question as to whether a matter is arbitral.

Subject to the conditions of this Agreement, if a mediator or arbitrator is not appointed within 30 days of a matter being referred to mediation and/or arbitration, either the Society or Hydro One shall have the right to refer the matter to the Minister of Labour (provincial or federal) or the Chief Justice of the Ontario Court of Justice and the Minister or Chief Justice shall appoint a mediator and/or arbitrator. The arbitrator will have the power accorded under the *Ontario Labour Relations Act* and the *Canada Labour Code*.

15 HEALTH AND SAFETY DISPUTES

15.1 Except for disputes involving the principles set out in the Tripartite Agreement on Joint Health and Safety Committees, all other disputes involving allegations that Hydro One has violated the provisions of the *Occupational Health and Safety Act (OHSA)* will not be subject to the provisions of the grievance/arbitration procedure except where provided for by the legislation itself. The parties will attempt to resolve such disputes at the lowest level possible. Failing resolution, the dispute may be forwarded to the Ministry of Labour for final resolution.

15.2 Disputes which involve interpretations about Sections of the OHSA, or any of its associated regulations will be resolved in accordance with the procedure set out in the joint agreement "*Handling Legislative and Regulatory Impasses Pertaining to the Occupational Health and Safety Act and its Associated Regulations*" dated December 5, 1991.

16 COMPLAINT AND GRIEVANCE/ARBITRATION PROCEDURE

16.1 Preamble and Principles of Operation

The following procedure for dispute resolution consists of three elements: a complaint process, a grievance procedure and an arbitration process. These processes will be used by the Parties in order to resolve complaints and grievances submitted by Society-represented staff, the Society, or Hydro One unless the parties have expressly agreed elsewhere in this Agreement on alternate dispute resolution processes to limit the scope of the grievance/arbitration procedure.

Early discussions and resolutions at the lowest level possible are encouraged because this leads to addressing issues before a grievance is lodged. The Parties also recognize that early and open discussions are key to maintaining a positive working relationship.

The Parties recognize the need for open and honest discussions at all levels of the complaint and grievance process. These discussions will allow for a common

understanding of all the facts and will enhance the chance of a mutually acceptable resolution.

This process should have the flexibility to respond to the advantages gained through a problem-solving approach to dispute resolution.

This process is designed to be simple, efficient, and understandable for all parties involved.

16.2 Definitions

a) Employee Complaint

An employee complaint is a claim of unfair treatment that an employee has requested the Society to present on the employee's behalf. An employee complaint which does not meet the criteria of an employee grievance shall not be subject for the grievance/arbitration procedure.

b) Employee Grievance

An employee grievance is defined as any dispute between Hydro One and the Society arising from the application, administration, interpretation or alleged violation of the Collective Agreement, or unreasonable exercise of Management discretion in the administration and application of the collective agreement. An employee grievance shall be filed at Step 2, normally following consideration of an employee complaint at Step 1.

c) Group Grievance

A Group grievance is defined as any dispute between Hydro One and the Society arising from the application, administration or alleged violation of the Collective Agreement, or unreasonable exercise of Management discretion in the administration and application of the collective agreement relating to the same dispute by more than one employee. A Group grievance shall be filed at Step 2. Grouped complaints will normally be considered at the Complaint Step if the employees report to a single supervisor.

d) Policy Grievance

A Policy grievance is defined as any dispute between Hydro One and the Society arising from matters of application, administration, interpretation, or alleged violation of the Collective Agreement. A policy grievance shall be filed at Step 2, and must be filed within 60 days after the circumstances giving rise to the grievance have come or ought to have reasonably come to the attention of the Society.

e) Management Grievance

Hydro One may present to the Society any complaint with respect to the conduct of the Society. If such a complaint is not resolved, it may be treated as a grievance and referred to arbitration under the provisions of this Article.

16.3 Scope Notes – Grievance and Arbitration

16.3.1 Grievances concerning personal performance appraisals which are not related to the interpretation or application of Article 19 are not arbitral. These

grievances will be processed up to and including step 2 of the grievance process.

If a grievance concerning an employee's performance appraisal cannot be resolved by the step 2 Committee, the performance assessment, which includes the employee's comments, will stand as a record of that year's appraisal.

- 16.3.2 Grievances related to selections based upon Article 65.6.4 may be processed through the grievance/arbitration process. If the arbitrator rules the process for selection was unfair, the arbitrator is limited to ordering a new selection process take place.
- 16.3.3 Disputes concerning Article 90 relating to the Occupational Health and Safety Act or Part II of the Canada Labour Code will normally be referred to the Ministry of Labour consistent with Article 15.
- 16.3.4 Both Hydro One and the Society have access to the grievance/arbitration procedure for disputes arising from the application of Part II (Recognition).
- 16.3.5 The grievance/arbitration procedure may be used to challenge any unreasonable, arbitrary or bad faith action taken by Hydro One which results in the exclusion of any employee or position from the bargaining unit. The Parties will attempt to resolve disputes expeditiously. The Society may initiate an unresolved dispute as a Policy Grievance.

16.4 Timeliness

The grievance procedure shall proceed without unnecessary delay. It is recognized that in some cases strictly enforced time limitations may interfere with a mutually acceptable process of fact-finding or problem resolution. However, either Party may invoke a time limitation upon five (5) days' written notice to the other Party. Except by mutual agreement, time limits for initiating a complaint/grievance, however, must be adhered to.

16.5 Step 1: Employee Complaint

- a) The Society will file an employee's complaint with the local line manager within 30 working days of the date the employee should reasonably have been aware of the action or decision giving rise to the complaint. The Society will provide a form outlining the grievor's complaint, proposed resolution and will identify the employee's society representative.
- b) An employee's complaint must normally be raised with the employee's supervisor and/or Society delegate and every effort should be made to resolve it informally. Hydro One will provide independent facilitation where the Parties agree that this is a reasonable approach to resolving the complaint.
- c) Where mutually agreeable, the Society may initiate an employee grievance arising from disciplinary suspension or discharge directly at Step 2.
- d) Local management and the Society representative will meet to attempt resolution within ten (10) working days of the date that the complaint is filed. Where mutually agreeable, the employee may attend the Step 1 meeting. Any resolution at Step 1 will be without prejudice and will not constitute a precedent in any other matter between the Parties except by written agreement.

16.6 Step 2: Meetings Of The Standing Grievance Settlement Committee (“GSC”)

- a) The Society may file an employee’s intent to grieve, with the grievor’s manager, within ten (10) working days of the step 1 meeting. The Society will file all Step 2 grievances within 30 working days from the 1st Step meeting. A policy grievance shall be initiated at step 2. The grievance form will indicate the articles in issue, outline the grievance and wherever possible, propose a resolution.
- b) Where a grievance is based upon discrimination or harassment, the parties will attempt to incorporate the following elements into the fact-finding :
 - i) the use of a neutral investigator agreeable to both parties;
 - ii) consideration of reports from preceding investigations;
 - iii) interviews with affected employees;
 - iv) mediation, if deemed appropriate by the parties upon consent of the affected employees.
- c) The parties will form a standing grievance settlement committee that will regularly schedule one meeting day every other month to attempt settlement of the grievance before it. Each party will appoint 3 standing members to the GSC. Each GSC shall comprise 1 standing member from each of the parties. These appointees must be representatives with decision-making authority.
- d) GSC hearing dates shall be determined and published annually on a calendar basis.
- e) Grievances heard by the GSC may be resolved by written agreement of the GSC. Unresolved grievances may be referred to expedited arbitration.

16.7 Grievance Arbitration

16.7.1 Expedited Arbitration

- A. Subject to Subsection 16.7.2, either Party may refer an unresolved grievance to expedited arbitration within 10 working days following the end of the Step 2. Expedited Arbitration shall be by a single arbitrator chosen by mutual agreement from the list at Article 16.7.5.
- B. Multiple cases will be heard on each day of expedited arbitration.
- C. Written briefs will be exchanged between the parties 1 week in advance of the expedited arbitration. Copies of the briefs will be forwarded to the arbitrator 1 week in advance of the hearing.
- D. The arbitrator will rely upon the briefs as much as possible and witnesses will only be called if required by the arbitrator.
- E. Expedited arbitrations will be held in alternating months in which the GSC hears grievances.

16.7.2 Regular Arbitration

- A. Unless the parties agree that expedited Arbitration is appropriate, Grievances based upon i) discharge/discipline, ii) harassment or discrimination, iii) policy grievances or iv) any other grievance the parties agree is not suitable for expedited arbitration, will be referred to a mutually agreeable arbitrator as per Article 16.7.5. Either party may refer an unresolved grievance to a single arbitrator within 10 days of the Step 2

meeting. Regular arbitration shall be scheduled within 60 days of the referral to arbitration.

16.7.3 General

- A. Each Party shall assume its own costs of the arbitration proceedings and shall share equally the cost of the arbitrator.
- B. An arbitrator shall consider any difference which arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this agreement has been violated. An arbitrator shall also consider any matter of interpretation, application, and administration of policy and practice as may be referred to him/her by employee grievance. An arbitrator shall consider only such evidence as is presented to him/her by representatives of Hydro One or the Society.
- C. The arbitrator shall have the power to settle or decide such matters as are referred to him/her in a fair and equitable manner, and the arbitrator's decision shall be final and binding. An arbitrator shall not have the power to amend or terminate this Agreement, policies, or procedures save only any policies and procedures which may conflict with the terms of this Agreement.
- D. If mutually agreeable, the arbitrator may be requested to act as a mediator prior to formally commencing the arbitration.
- E. All arbitration decisions shall be delivered to the parties within 10 days of the arbitration hearing

16.7.4 Arbitrators

The following individuals are to be used as arbitrators if mutually agreed to:

Michel Picher
Jane Devlin
Jules Bloch
Rob Herman
Kevin Burkett

17 DISCIPLINE AND DISCHARGE

- 17.1 No employee, except as noted below, shall be disciplined or discharged without just cause.

When disciplining or discharging probationary employees for just cause, it is recognized that the probationary period is an extension of the selection process and that these employees have short service. Therefore, the threshold for discipline and discharge may be less than that of a regular employee in similar circumstances.

- 17.2 An employee is entitled, prior to the imposition of discipline or discharge, to be notified at a meeting with Management of the reasons for considering such action, unless he/she is a danger to himself/herself or others. A Society representative may be present at such a

meeting if the employee so desires. **The Society representative** will be advised a **minimum of 24 hours** in advance by Management of the time and place of the meeting.

- 17.3 Where an employee is required to participate in an interview in circumstances where discipline is likely to follow for such employee, the employee shall be advised of his or her right to have a Society representative present, and to have such a representative present during the interview if he or she chooses.
- 17.4 Disciplinary penalties resulting in a suspension without pay will not be imposed until a final decision (agreement between the Society and Hydro One or an arbitrator's decision) has been reached.
- 17.5 Employment File
- a) Documents communicating discipline and discharge will be maintained in the employee's official employment file (normally 901 file).
 - b) Unless otherwise agreed to, after documents communicating discipline have been on an employee's file for a maximum of two years, and there have been no further disciplinary occurrences, then the documents communicating discipline will be removed
 - c) Employees shall be allowed access to their own personnel files. Employees should submit the written request to their supervisor. Review of the file shall be carried out in the presence of the supervisor or human resources contact. Additions or deletions to the file shall be made only with the approval of the supervisor and the human resource contact.

18 PRINCIPLE AND PROCESS OF PRIOR INVOLVEMENT IN JURISDICTIONAL ISSUES/DISPUTES

- 18.1 Hydro One should advise the Society and provide an opportunity for its involvement at the appropriate organizational level (e.g., Hydro One, Business Unit, Division, Station) prior to making any final decision which could adversely affect the Society's jurisdiction.

The Society's jurisdiction may be adversely impacted by an organizational or operational changes, including technological changes, workload changes, and business process re-engineering. The Society's jurisdiction is adversely impacted by any assignment of functions customarily done by Society-represented employees to persons or employees outside of its bargaining unit and/or reduces the proportion of work customarily performed by Society-represented employees relative to that done by persons or employees outside of its jurisdiction.

- 18.2 Prior to making a final decision that could adversely impact the Society's jurisdiction, at the request of either party, Hydro One will establish a joint team with the Society which will review relevant facts and issues. In the event that the jurisdiction of another union is affected by this decision, the Society and Hydro One will strive to include a representative of this union in the review team. The criteria considered by the joint or tripartite review team will include the following:

- representational rights
- skill and training
- safety

- economy and efficiency
 - past practice
- 18.3 The parties agree to make their best efforts to reach consensus on issues affecting the Society's jurisdiction which will form the basis of recommendations to Senior Management.
- 18.4 In the event that consensus is not reached on issues affecting the Society's jurisdiction or Senior Management rejects the joint/tripartite team's recommendation(s), Hydro One will make the final decision and will provide written rationale for the decision to the Society.
- 18.5 The principle and process set out in 18.1 to 18.4 are not grievable with the exception of Hydro One's final decision. The recommendations of joint tripartite teams are without prejudice and cannot be relied upon at grievance/arbitration or before any labour relations board.

19 PERFORMANCE APPRAISAL FEEDBACK AND PERFORMANCE MANAGEMENT

- 19.1 Principles
- 19.1.1 Supervisors are expected to ensure all employees understand what is expected of them, encourage ambitious goal setting, stress accountability for results, and tolerate honest mistakes but not poor performance.
- 19.1.2 The Performance Appraisal process will be conducted in an atmosphere of mutual respect and empathy to encourage a positive two-way communication session. The employee should be given adequate notice and time to prepare.
- 19.1.3 The supervisor will endeavour to provide recognition to employees commensurate with contribution and performance. Performance expectations should be guided by the job document, work program of the unit and the employee's length of service in the job.
- 19.1.4 The supervisor should communicate on an ongoing basis and counsel the employee toward improved performance. Also, opportunities for improvement, training, performance counselling, assistance and sufficient opportunity and time to raise performance to the level required, should be part of the building blocks for the future.
- 19.1.5 The employee is responsible for recognizing that a problem exists and making a joint commitment to improve performance, or to jointly look at other alternatives, such as job skill match, etc.
- 19.2 Every employee has the right to an annual assessment with written feedback of his/her work over the preceding twelve (12) months.
- 19.3 Employee must be provided with a written record of the performance appraisal. Employees should receive written confirmation that the performance appraisal has taken place, and a statement of the employee's step standing as of the next "anniversary" progression date.

19.4 Performance Management

- a. If an employee fails to make satisfactory progress, his/her progression may be withheld for a period of six months.
- b. In taking this action, the Employer shall provide the employee **and his/her Society representative** with one month's notice with written reasons for withholding the progression and what is required to rectify the unsatisfactory performance.
- c. The performance of an employee whose progression has been withheld as above will be reviewed within six months. If progress and general performance are found to be satisfactory, progression shall be granted and the review date becomes the employee's new anniversary date. However, if progress and general performance are not satisfactory, the employee shall be either transferred or dismissed.
- d. If six months after the review his/her performance has continued to be satisfactory, he/she may be granted the next step in his/her progression. This will then re-establish his/her original progression status.

20 ROLE OF SUPERVISORS

- 20.1 As members of Hydro One's managerial staff, supervisory employees have a role to play in the resolution of disputes in their work units before they reach the grievance/arbitration procedure. In the event that a dispute reaches the grievance/arbitration procedure, the Society agrees not to discriminate against supervisors who represent Management in Society grievances.
- 20.2 The Society will exclude supervisors directly involved in a particular grievance from the decisions on the referral of the grievance through the grievance/arbitration procedure. Supervisors will not act on behalf of the Society in matters associated with a particular grievance where the grievance has been lodged by another member(s) who reports to the particular supervisor.
- 20.3 Society Representatives

A Society representative will be granted reasonable time off from normal duties and have normal base earnings maintained while acting as a Society representative in any of the steps of the grievance procedure or when required by Management to be a participant in arbitration proceedings under Articles 16, 19, and 64. Requests for time off will be made to Labour Relations, Hydro One Human Resources.

PART VII – PENSION AND INSURANCE

21 LIFE INSURANCE

21.1 The benefits and terms and conditions of the benefit entitlement for group life, living benefit and spousal life insurance for employees are as described in: the Collective Agreement; the brochure entitled “Group Life Insurance, Living Benefit and Spousal Life Insurance, updated May 31, 2000”. These documents, by reference, form part of the Collective Agreement. The benefits and terms and conditions of benefit entitlement as described in the above documents can be changed by mutual consent only.

21.1.1 The employee will be required to submit evidence of insurability if a re-election results in total increased insurance coverage.

21.1.2 Any re-election shall become effective on the January 1st following the year in which the re-election is made or on the date of approval by the insurer of any required evidence of insurability, whichever is later.

21.2 Life Insurance Options

Option	Basic Term Insurance ³	Additional Term Insurance ⁴
I	Two Times Base Salary	Nil
II	Two Times Base Salary	One Times Base Salary

21.3 An employee is eligible to purchase additional term life insurance in blocks of \$10,000 to a maximum of \$150,000 at no cost to the employer. Effective April 1, 2008, the Employer will no longer subsidize the cost of optional life Insurance.

21.4 An employee who meets the following criteria shall be eligible to cash out 50% of his/her total claim value to a maximum of \$50,000.

Criteria:

- the illness must be terminal with death likely to occur within 24 months;
- Hydro One’s consent is required;
- the consent of the employee;
- the beneficiary must have reached the age of majority; and
- the employee must be competent and able to understand a transaction of this nature.

Payments must be processed as a loan and interest charged to avoid making the payment a taxable benefit to the employee.

³ Basic Term Insurance is composed of term insurance equal to base annual earnings raised to the next \$500.00 and multiplied by 2.

⁴ Additional Term Insurance is the optional term insurance which an employee may elect in addition to the basic insurance coverage. It is equal to base annual earnings raised up to the next \$1,000.00.

When death occurs, the advance payment plus accrued interest is deducted from the claim value.

21.5 Spousal Insurance

21.5.1 Only spouses of active employees are eligible.

21.5.2 Insurance is available in units of \$10,000 to a maximum of \$150,000 (or 15 units).

21.5.3 The entire cost, including administration costs, will be paid by the employee.

21.5.4 The participation rate will have to be 20-30% otherwise proof of insurability will be required.

21.5.5 The premium rate will be different from the rate for employees, and will be experience rated. The premiums would then vary from year to year based on the experience of the previous year.

21.6 Dependent Insurance

21.6.1 Effective March 1, 2002 employees may purchase life insurance for their eligible dependents in the amounts of either \$10,000 or \$25,000 as detailed by the Insurance Carrier and at no cost to the employer.

22 PENSION PLAN

The Hydro One Pension Plan (Registration #1059104) constitutes the present Pension Plan and forms part of this collective agreement. The provisions of the Pension Plan are generally described in the brochure "A Guide to your Hydro One Pension Plan" (June 23, 2002).

Changes to the Pension Plan affecting Society-represented members of the plan, other than legislative changes, shall be made only upon mutual consent. It is agreed that normal administrative matters such as changing financial advisors are not considered to be changes to the Pension Plan, subject to any understanding, agreement or decision to the contrary with the PWU.

22.1 The employer shall not request legislation, regulations, or Order-in-Council approval or make rules which would change pension benefits, unless upon mutual consent. Moreover, the employer shall not seek legislation to change access to surplus unless upon mutual consent.

22.2 Any changes to actuarial assumptions used for the purpose of filing a funding valuation shall be discussed with the Society prior to filing. The Society reserves the right to challenge the actuarial assumptions used for such filing.

22.3 **Actuarial Buy-Backs of Previous Service**

The purchase of previous service at actuarial values pursuant to Amendment 17 of the Hydro One Pension Plan is limited to employees who were members of the Pension Plan on or before March 31, 2013.

22.4 Retirement Bonus

Employees who have completed 10 years or more of continuous employment shall be given, upon retirement, a cash bonus equal to one month's pay. The retirement bonus may be paid in cash or by transfer to an employee's Registered Retirement Savings Plan (RRSP) , at the employee's option.

22.5 Pension Committee

The parties agree to establish a committee to:

- provide a forum for the discussion of Society issues and concerns related to the operations of the pension administration unit;
- provide a forum for the discussion of contractual obligations (e.g. the introduction of new amendments to the plan, discussion of actuarial assumptions used for funding valuations);
- provide the Society with information on pension related issues that may be of assistance in educating their members;
- provide a forum to review valuations filed with FSCO or valuations to be used to trigger increased employee contributions and annual pension plan financial statements that have been approved by Hydro One.

In order to fulfill its purpose, the committee members and resource persons will have access to reasonable pension plan and pension fund information, subject to the understanding that certain confidential information will not be available, and any confidential information that is supplied will be maintained in strict confidence by the committee/resource persons.

The Committee will be comprised of two Society representatives and two Employer representatives. Each party shall have the right to have a reasonable number of resource persons attend the meeting. The Committee shall meet twice per year.

22.6 Society members of the Hydro One Pension Plan, whose pension income as a pensioner will exceed the limits prescribed by the Income Tax Act (ITA) for pension paid from a registered pension plan, are eligible for the Supplementary Payment Schedule (SPS). The SPS tops up the amount one receives from the Hydro One Pension Plan to the amount one would receive if there were no ITA limits.

22.7 Hydro One shall exercise reasonable efforts to establish reciprocal transfer agreements with its successor companies or companies with whom it forms partnerships or joint ventures.

22.8 **Employee Contributions**

a) ***Employee pension plan contributions shall be increased as follows:***

- ***By 0.75% of base earnings effective April 1, 2013***
- ***By 1.00% of base earnings effective April 1, 2014***
- ***By 0.75% of base earning effective April 1, 2015***

b) Plan Formula

(This **Sub-section** does not apply to regular employees hired on or after November 17, 2005).

Effective January 1, 2004, the CPP integration adjustment factor shall be reduced from .625% to .500%. Employees' contributions shall increase by .5% if and when the assets fall below 106% of the liabilities based upon a solvency valuation and shall continue until the assets are at or above 106% based upon a solvency valuation, and shall thereafter be in place or not based upon whether the assets are below, or at or above, 106% of the liabilities based upon a solvency valuation.

Clarity Note #1:

Hydro One may trigger the provision for increasing employee contributions as described above ("provision") by filing a valuation with the Financial Services Commission of Ontario (FSCO). Where it does so, it is not required to exceed the frequency of filing required by law. Hydro One is not obligated to trigger the provision by a FSCO filing only, and, instead, may do so by an internal valuation. Where Hydro One elects to proceed by an internal valuation, it must do so annually and must share any valuation with the Society for comment if it is relying upon the valuation to cause employee contributions to change. If the Society believes the valuation to be in material error and Hydro One disagrees, the Society may cause a review of the valuation by an independent actuary whose opinion on that complaint shall be final and binding. The independent actuary mutually selected by the parties, or if in disagreement, appointed by a rights arbitrator under the collective agreement, may conduct his/her review in any manner he/she considers appropriate of his/her sole discretion. Hydro One shall pay the actuary's fees and disbursements. However, if the independent actuary concludes, in his/her sole discretion, that the Society's objections were unreasonable, the actuary may direct the Society to reimburse Hydro One for all or a portion of the fees and disbursements invoiced by the actuary.

Clarity Note #2:

The change in the CPP integration factor will apply to all of the established service of a Society-represented member who retires after the effective date provided that some portion of such Society-represented established service occurred after the effective date of the change in the CPP integration factor.

22.9 Pension Plan Provisions for Regular Employees hired on or after November 17, 2005

The following provisions apply to regular employees hired on or after November 17, 2005:

Benefit	Provision
Benefit Formula	2% per year to maximum of 35 years
Final Average Earnings	Highest 60 consecutive months
Bridge Benefit	None
Integrated with CPP	Yes (CPP integration adjustment factor = 0.625%)
Indexing	75% of Ontario CPI (maximum of 5%, no carryover)
Normal Retirement	Age 65
Early Unreduced Retirement	Rule of 85, based on Established Service.
Early Reduced Retirement	Age 55
Survivor Benefit	66.67%
Membership Eligibility	1 st of month following 3 months of continuous service. No buy back of these three months.
Vesting	1 year
Post Retirement Benefit Eligibility	2 years of pension plan membership and 10 years continuous service with Hydro One

Regular employees hired on or after November 17, 2005 may opt not to enrol in the pension plan. They may elect an additional 3.5% of base earnings in lieu of pension plan participation.

All provisions of the Pension Plan and this Article apply to regular employees hired on or after November 17, 2005 except Section 22.8 ("Plan Formula") and as otherwise specified in this Section.

The Employer will ensure affected employees are notified of their election options, including the default selection and the fact that the default option does not afford the employee the option to buy-back service. The Employer will copy the employee's Society **representative** on this notice.

PART VIII - SALARY

23 SALARY SCHEDULES

- 23.1 Salary rates shall be in accordance with Salary Schedules 01, 02 and 03 that are part of this Agreement.
- 23.2 The salary schedules shall be increased **by 2.0% effective April 1, 2013, by 2.25% effective April 1, 2014 and by 2.25% effective April 1, 2015.**

24 ESCALATOR CLAUSE

- 24.1 In the event that Hydro One and the Society negotiate a Collective Agreement for a term of more than one year, a Cost of Living Adjustment (COLA) escalator clause shall become part of such an Agreement and shall be applicable to all employees covered by that Agreement.
- 24.2 For the term of this Collective Agreement the escalator clause will only be applicable in the third **year** (i.e. April 1, 2015 – March 31, 2016) of the contract. A year in which the escalator clause operates shall be termed an “applicable year”. The escalator clause is designed to generate a maximum of one wage increase at the end of each applicable year (i.e. March 31, 2016) to a maximum of 2.0% (per applicable year).

In **the** applicable year the following formula shall apply:

- (a) Activation Point

For the third year:

A **2.25 %** increase in the CPI for Ontario (All Items - 1992 = 100) over that published in March 2015 (i.e., the index for February 2015) will activate the Escalator Clause.

- (b) For a full one percent increase in the CPI beyond the activation point in an applicable year, all Wage and Salary Schedules will be adjusted at the end of the applicable year by an amount which increases rates in effect at that time by one percent. Concurrent with this increase, a new activation point will be established at a level one percent above the previous activation point.
- (c) Any adjustment in the Wage and Salary Schedules necessitated by a change in the CPI, shall be effective at the end of the applicable year. A lump sum payment for months one percent above the activation point will be made retroactive to the first payroll period of the fiscal month following the publication of the CPI which activated the payment. The payment will be made in the form of a lump sum effective on March 31st of the applicable year.

All Escalator Clause increases will be applied in accordance with the current Methods of calculating.

25

HYDRO ONE
SALARY SCHEDULE 01
35 – HOUR SCHEDULE

01
13

Dollars Per Week

<u>Step</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
1	1343	1432	1527	1628	1735
2	1439	1535	1636	1745	1859
3	1534	1637	1745	1861	1983
4	1611	1719	1832	1954	2082
5	1688	1800	1919	2047	2182
6	1745	1862	1985	2117	2256
7	1803	1923	2050	2186	2330
8	1860	1985	2116	2256	2405
9	1918	2046	2181	2326	2479

HYDRO ONE
SALARY SCHEDULE 02
37.5 – HOUR SCHEDULE

02	13
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Dollars Per Week

<u>Step</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
1	1187	1266	1349	1439	1534	1635	1744	1859
2	1271	1356	1445	1541	1644	1752	1869	1992
3	1356	1446	1542	1644	1754	1869	1994	2125
4	1424	1519	1619	1726	1841	1962	2093	2231
5	1492	1591	1696	1808	1929	2056	2193	2337
6	1542	1645	1754	1870	1995	2126	2268	2417
7	1593	1700	1811	1932	2060	2196	2342	2497
8	1644	1754	1869	1993	2126	2266	2417	2576
9	1695	1808	1927	2055	2192	2336	2492	2656

HYDRO ONE
SALARY SCHEDULE 03
40 – HOUR SCHEDULE

03	13
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Dollars Per Week

<u>Step</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
1	1181	1259	1343	1432	1527
2	1265	1349	1439	1535	1636
3	1350	1438	1534	1637	1745
4	1417	1510	1611	1719	1832
5	1485	1582	1688	1800	1919
6	1535	1636	1745	1862	1985
7	1586	1690	1803	1923	2050
8	1636	1744	1860	1985	2116
9	1687	1798	1918	2046	2181

HYDRO ONE
SALARY SCHEDULE 01
35 – HOUR SCHEDULE

01	14
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Dollars Per Week

<u>Step</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
1	1373	1464	1561	1665	1775
2	1471	1569	1673	1784	1901
3	1569	1674	1784	1902	2028
4	1647	1757	1873	1998	2129
5	1726	1841	1962	2093	2231
6	1785	1904	2029	2164	2307
7	1843	1966	2096	2235	2383
8	1902	2029	2163	2307	2459
9	1961	2092	2230	2378	2535

HYDRO ONE
SALARY SCHEDULE 02
37.5 – HOUR SCHEDULE

02	14
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Dollars Per Week

<u>Step</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
1	1213	1294	1379	1471	1569	1672	1784	1901
2	1300	1387	1478	1576	1681	1792	1911	2037
3	1386	1479	1576	1681	1793	1911	2038	2173
4	1456	1553	1655	1765	1882	2007	2140	2281
5	1525	1627	1734	1849	1972	2102	2242	2390
6	1577	1683	1793	1912	2039	2174	2319	2472
7	1629	1738	1852	1975	2107	2246	2395	2553
8	1681	1794	1911	2038	2174	2317	2472	2635
9	1733	1849	1970	2101	2241	2389	2548	2716

HYDRO ONE
SALARY SCHEDULE 03
40 – HOUR SCHEDULE

03	14
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Dollars Per Week

<u>Step</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
1	1208	1287	1373	1464	1561
2	1294	1379	1471	1569	1673
3	1380	1470	1569	1674	1784
4	1449	1544	1647	1757	1873
5	1518	1617	1726	1841	1962
6	1570	1673	1785	1904	2029
7	1622	1728	1843	1966	2096
8	1673	1783	1902	2029	2163
9	1725	1838	1961	2092	2230

HYDRO ONE
SALARY SCHEDULE 01
35 – HOUR SCHEDULE

01	15
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Dollars Per Week

<u>Step</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
1	1404	1497	1596	1702	1814
2	1504	1604	1710	1824	1944
3	1604	1711	1824	1946	2074
4	1684	1797	1915	2043	2177
5	1764	1882	2006	2140	2281
6	1825	1946	2075	2213	2359
7	1885	2011	2143	2286	2436
8	1945	2075	2212	2359	2514
9	2005	2139	2280	2432	2592

HYDRO ONE
SALARY SCHEDULE 02
37.5 – HOUR SCHEDULE

02	15
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Dollars Per Week

<u>Step</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
1	1240	1324	1410	1504	1604	1710	1824	1944
2	1329	1418	1511	1611	1718	1832	1954	2083
3	1418	1513	1611	1718	1833	1954	2084	2222
4	1488	1588	1692	1804	1924	2052	2188	2333
5	1559	1664	1772	1890	2016	2150	2292	2444
6	1613	1721	1833	1955	2085	2223	2371	2527
7	1666	1778	1893	2019	2154	2296	2449	2610
8	1719	1834	1954	2084	2222	2370	2527	2694
9	1772	1891	2014	2148	2291	2443	2605	2777

HYDRO ONE
SALARY SCHEDULE 03
40 – HOUR SCHEDULE

03	15
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Dollars Per Week

<u>Step</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
1	1235	1315	1404	1497	1596
2	1323	1409	1504	1604	1710
3	1411	1503	1604	1711	1824
4	1482	1578	1684	1797	1915
5	1552	1654	1764	1882	2006
6	1605	1710	1825	1946	2075
7	1658	1766	1885	2011	2143
8	1711	1823	1945	2075	2212
9	1764	1879	2005	2139	2280

PAY TREATMENT OF PROFESSIONAL TRAINEES

25.1 Pay Treatment

Professional Trainees (“trainees”) will be paid at Step 1 or 2 of the MP2 salary schedule. Trainees will be defined as follows:

- a) all “new graduates” i.e. employees hired for Management and Professional (M&P) or Field Management and Professional (FM&P) work, when they have less than the following applicable experience requirements after Bachelor graduation:

Job Level	Applicable Experience Requirements
MP2	2 years
MP3 and over	2.5 years

or;

- b) employees who are appointed to entry M&P or FM&P positions from non-M&P/FM&P salary schedules where such employees are not fully qualified or do not meet the minimum experience requirements for the position.

25.2 Individuals with advanced degrees or some applicable experience may be given an appropriate time credit when they are placed on Salary Schedule 01.

25.3 Progression of trainees from step-to-step on Salary Schedule 01 will be dependent on satisfactory performance.

25.4 A trainee’s progression may be withheld due to unsatisfactory performance. In such cases the employee’s performance will be reviewed at the next progression date and, if performance has been satisfactory, the employee will progress to the next level. If progression must be withheld due to unsatisfactory performance for two consecutive progression periods, there may be cause for termination. If the employee’s performance is satisfactory for one year following the withholding of a progression step the employee will be awarded a two-step increase, thus restoring his/her original progression pattern.

An absence greater than one month due to illness, pregnancy, parental leave, etc. may result in an extension of a step in the progression process. The original progression dates may be reinstated if satisfactory progress can be shown to have been made during an extension period.

25.5 Management will appoint trainees who have not yet been appointed to an ongoing M&P/FM&P position to an ongoing MP2 position upon successful completion of Step 2, except during the operation of Article 64 or when there are surplus employees.

25.6 Vacation provisions that apply to M&P staff on Schedule 01 will also apply to trainees.

25.7 Articles contained in Part XI (Relocation Assistance) will apply to trainees when they are appointed to an ongoing M&P or FM&P job.

25.8 Eligibility for other benefits and allowances which apply to regular staff will be granted to **regular and probationary** trainees.

25.9 Shift compensation reference point rate for trainees will be step 3 of MP2.

25.10 Student employees will be paid at Steps 1 or 2 of the MP2 salary range.

25.11 Management may utilize Steps 1 and 2 for all employees covered by the collective agreement and not just for Professional Trainees.

26 PAYMENT OF FM&P EMPLOYEES

Employees in jobs rated under the Field Management and Professional Job Evaluation Plan will be paid in accordance with Schedule 02. The upper five grades of Schedule 02 will be equivalent to Schedule 01 (e.g. FMP16 = MP6) except prorated to reflect a base work week of 37.5 hours instead of 35 hours.

27 PAYMENT OF MANAGEMENT AND PROFESSIONAL (M&P) EMPLOYEES

Employees in jobs rated under the Plan A Job Evaluation Manual will be paid in accordance with Schedule 01.

28 PAYMENT OF TRADES MANAGEMENT SUPERVISORS (TMS)

Employees in jobs rated under the Trades Management Supervisors' Job Evaluation Manual will be paid in accordance with Schedule 03. Step 9 of TMS3 shall be equivalent to the Step 9 of MP2 (Schedule 1).

29 JOB EVALUATION PLANS

Job evaluation plans that are used to rate Society-represented jobs form part of this Collective Agreement. These plans are:

- Plan A (revised January, 1988), used to classify all M&P jobs;
- Plan A Job Evaluation Manual: - delete the phrase "Once exclusion from CUPE Local 1000 has been confirmed" on page 3; **Section 10 "Plan A Point Ranges for Salary Grade" (p. 27) – amend to read "MP6 point range 314 and up" and delete note 5**
- Field Management and Professional Job Evaluation Plan (revised July, 1988), used to classify all FM&P jobs;
- Trades Management Supervisors Job Evaluation Manual (April, 1986), used to classify all TMS jobs;
- TMS Job Evaluation Manual - delete criteria "(a) qualify for exclusion from union jurisdiction" on page 2.
- Hay Plan (July, 1990), used to classify all Nursing jobs.

30 TMS AGREEMENTS

Trades Management Supervisors/Trades Supervisors (TMS) shall receive payments calculated as follows:

30.1 Union Relief Rate (currently 17% or 22%, whichever is applicable in each situation) minus the actual pay differential between the TMS step 9 rate and the base rate of the highest trade group supervised, as per occupational definition, plus 3%.

$$JP \left(URR - \frac{(TMS - JP)}{JP} \times 100 + 3\% \right)$$

URR	=	Union Relief Rate (17% or 22% depending on situation)
JP	=	Highest Journeyperson Rate Supervised
TMS	=	Step 9 rate of Relevant TMS Position

An example of the payment would be: if the differential between the Union journeyperson and the TMS = 15%, then the payment would be 17% (appropriate relief rate) minus 15% plus 3% = 5%.

- 30.2 In addition, where a TMS is supervised by a TMS, the existing salary grade differential will be maintained (6.625% or 13.25%, whichever is applicable in each situation).
- 30.3 a) These payments will be based on PWU CUPE Local 1000 rates effective April 1 of each year and calculated on an annual basis. In addition, the payments will be prorated in situations where a person is promoted to a TMS position during the year.
- b) During the term of the Collective Agreement TMS's whose "base" salary (including any applicable relativity allowance) is less than the equivalent to the applicable URR will receive a "top up" allowance to bring their "base" salary (including any applicable relativity allowance) up to this equivalent level, as a minimum. This "top up" allowance will be treated in accordance with Section 30.4 and will not affect the employee's **step placement**. Calculations for these payments will be done annually in April 2003 and April 2004. The "top up" allowance calculated in April may be revised by subsequent step increases.
- 30.4 **For the term of the collective agreement** these payments will be paid on a weekly basis and treated like base salary with respect to overtime, pension and other wage-sensitive entitlements including any promotion increase. An employee's **step placement** will not be affected by this payment.
- 30.4.1 When a TMS position is temporarily given a higher TMS classification or a TMS relieves for a higher-rated TMS for a minimum of five consecutive days or ten cumulative days annually, and in these situations there is a relief rate rub per Sections 30.1 or 30.2, payments will be recalculated to reflect the rub point in the reclassified/relief position and paid on a pro-rated basis for these periods. Under no circumstances will the TMS's pay (base plus any applicable relativity allowance) decrease.

For the sake of clarity by the addition of the TMS Relativity payment formula to Attachment A, Article 7, it is intended that the amount of money available for any change to this formula will be the same as that provided to the applicable Business Unit under Article 30.1 and 30.2. Flexibility is given to negotiate a redistribution of this money to TMS's within the Business Unit. There is no flexibility to modify the amount of money in the "envelope" or to change other provisions in Article 30 e.g., payments must be treated like base pay. Any Business Unit agreement would be in accordance with Article 7 and also subject to ratification by TMS's in the affected Business Unit. The default would be the formula in Article 30.

31 SALARY PROGRESSION PLAN

- 31.1 Effective October 1, 2007 the Performance Pay Plan (1978, revised 1987) is eliminated and replaced by a new salary progression plan as described in Section 31.2. For clarity, at the end of 2007 Hydro One will not make the minimum performance payout of 1.0% of base payroll for the performance year 2007.
- 31.2 A new salary progression plan will be implemented on October 1, 2007 that includes the following features:
- a. Three salary schedules will be created, recognizing 35-hour, 37.5-hour and 40-hour work weeks. The 35-hour schedule will replace Schedule 01, the 40-hour schedule will replace schedule 08 and the 37.5-hour schedule will replace schedule 02. Current prorating pay treatment for base hours as per Article 68 remains unchanged with the exception of those covered under LOU #5.
 - b. The current job evaluation plans will continue to apply.
 - c. Progression will be on an annual basis.
 - d. The MP1 salary band will be eliminated and MP2 through MP6 salary bands will remain.
 - e. Salary ranges for all salary bands shall be equivalent to current 70% - 100%.
 - f. Progression from 70% to 100% shall be as follows:
 - i. 70% to 80% in 5% steps
 - ii. 80% - 88% in 4% steps
 - iii. 88% to 100% in 3% steps
 - g. Schedule 04 is eliminated as it is incorporated into the initial steps of MP2. All new grads will be hired at either 70% or 75% of MP2. Article 25 will be amended and/or obsoleted as required.
 - h. Employees will automatically progress to the next step on their anniversary date of appointment to their position unless withheld by management (as per Article 19.4).
- 31.3 The transition to the new salary progression plan will be as follows:
- a. Effective October 1, 2007, all current employees will be mapped to the step nearest in the applicable salary band that is not less than their current pay.
 - b. All employees paid above the rate for the highest step in their salary band will be "green circled" i.e. will continue to be eligible to receive economic increases.
 - c. October 1 will become the "anniversary date" for employees except as follows:

- i. For employees who are appointed to a different position or persons hired into Society-represented positions subsequent to the implementation date, their anniversary date will become the date of appointment to this new position.

32 PROMOTION-IN-PLACE PLANS

32.1 Definition

A “promotion-in-place plan” (PIP) means a developmental plan involving a hierarchy of related jobs, in which employees who meet defined criteria will be promoted without advertising, and where it is the normal expectation that employees will reach the end position.

32.2 Principles

32.2.1 The Society should be involved in the development and periodic review of PIPs.

32.2.2 Either the Society or Management may initiate discussions on PIP proposals.

32.3 Conditions

32.3.1 All new and revised PIPs must have the joint agreement of the parties. During the term of the Collective Agreement, a catalogue of existing PIPs will be developed and the parties will determine the schedule for their review upon request by either party.

32.3.2 Salary treatment upon promotion within PIP will be in accordance with Section 66.2.

32.3.3 Employment continuity treatment of employees with respect to PIPs will be in accordance with Clause 64.10.2.1.

32.3.4 Vacancies for PIP jobs will be advertised in accordance with Clause 65.6.1 (e).

32.3.5 All jobs in a PIP must be evaluated under the applicable job evaluation plan.

32.4 Standard Features

All PIPs must have the following features:

- based on a developmental plan to an end position;
- based on the expectation that normally employees in PIP jobs will reach the end position;
- a sunset clause;
- joint Society-Management agreement on promotion criteria consistent with the PIP;
- promotion within PIP based upon the employee meeting defined criteria (e.g., performance measures, experience, breadth of assignments). If an employee has

met all of the criteria for a promotion, and the only item preventing the promotion is the individual's performance standing, then the promotion should be implemented;

- targeted to have sufficient staff in the higher level positions for unit viability;
- specification of the normal expected time period an employee should take to progress through the various stages of the PIP;
- provision for employees to have a reasonable opportunity to fulfill requirements to qualify for progression within the normal expected time frame.

33 TEMPORARY EMPLOYEES

Intent: Temporary employees are employees hired for short-term work assignments which are not ongoing and/or where there are no available qualified regular employees to perform the work. The impact on employment continuity should be an important consideration in the decision to hire temporary employees.

33.1 Society Notification

Hydro One will discuss the circumstances with the local Society representative prior to hiring a temporary employee. The Society will be informed of the job skill needs, the salary classification for the position, the expected job duties, and the duration of the assignment.

Assignment extension beyond 12 months is conditional on the employer's compliance with its prior consultation as described above. If the employer has not complied with this obligation, the employee will be terminated at 12 months. At 24 months, Hydro One will either terminate the employee, advertise the position if there is an ongoing staff requirement, or obtain the agreement of the Society for a further extension. If the position is advertised, and the temporary employee is not selected for the vacancy, the employee will be terminated.

Temporary employees will have their applications for vacancies considered in accordance with Clause 65.6.3.g ***with the following exception: the employer may, at its sole discretion, refuse to process and consider an application for a vacancy from a temporary employee up to but not including the last six months of the employee's temporary assignment. This discretion is not subject to the grievance-arbitration procedure. (Selection priority g becomes h effective April 1, 2014).***

Notwithstanding the above, Hydro One may utilize a temporary employee for up to 36 months with the approval of the appropriate Society ***representative***.

33.2 Temporary Employees with Less than 12 Months' Service

33.2.1 Compensation and Benefits Treatment

- i) Vacations: payment of the prorated amount of 15 days adjusted earnings or 4%, whichever is greater.
- ii) Statutory Holidays:

Temporary employees with less than three months' accumulated service shall be paid for those statutory holidays covered under the Employment Standards Act ("ESA"). For clarity, the public holidays covered by the ESA are: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas Day and Boxing Day. Payment for such statutory holidays will be the amount stipulated by the ESA (i.e. the total amount of regular wages earned and vacation pay payable to the employee in the four pay periods before the pay period in which the public holiday occurred, divided by 20; or if the employee works on the public holiday, the premium rate or a substitute day off will be provided as described in the ESA). In order to be entitled to public holiday pay, these employees must also meet the qualifying conditions of the ESA, namely the "Last and First Rule." As Easter Monday and the Civic Holiday are not ESA public holidays, they will not be paid as such. If the employee does not work, the day will be considered a day off without pay. If the employee does work, premium rates will not apply.

Temporary employees with more than 3 months' accumulated service shall be entitled to pay for all statutory holidays provided for under Article 41 of the Collective Agreement.

- iii) Floating Holidays: three floating holidays after 20 weeks' continuous service.
- iv) Sick Leave: credits for one-half day at 100% pay for each month of accumulated service.
- v) Semi-Private and EHB Plan: optional at employee's cost.
- vi) Remembrance Day; Personal Time Off; Parental Leave (excluding the SUB Plan); Jury Duty; Special Time Off at Christmas: same as regular employees.
- vii) Kilometre Rates: same as regular employees.
- viii) Personal Travel and Accident Benefits: same as regular employees.

33.2.2 Termination

When a temporary employee with less than 12 months' service is terminated for other than cause, he/she will receive at least two weeks' notice in writing.

33.3 Temporary Employees with More than 12 Months' Service

Temporary employees with more than 12 months' service are entitled to sick leave credits equal to eight days at 100% and 15 days at 75% per annum, performance appraisals and consideration for step progression and severance pay equal to two weeks' base salary

per continuous year of service. All items in Section 33.2 above, except for 33.2.1 (iv), will also apply to these employees.

33.4 Temporary Employees Working Reduced Hours

Temporary employees who work reduced hours will have the items listed in Sections 33.2.1 and 33.2.2 prorated in accordance with the provisions outlined in Article 71 (Reduced Hours of Work).

33.5 Temporary Employees and Purchased Services

33.5.1 Management shall give serious consideration and where possible (e.g., cost effective and timely) give preference to the option of using temporary employees rather than using purchased services.

33.5.2 Where management deems it appropriate, Hydro One may pay temporary employees at rates higher than Society-represented salary schedules.

PART IX - ABSENCE FROM WORK

34 PAID/UNPAID TIME OFF

Intent: It is recognized that from time to time, an employee will be faced with situations that may require him/her to be absent from his/her work. Such time will be either with or without pay, or a combination of both, and will be granted where there is an entitlement under this Agreement, a clear legal or statutory requirement, or where, in the supervisor's judgment, such time off is warranted by specific circumstances. It is further recognized that it is the employee's responsibility to balance his/her need for a leave of absence with the work requirements of his/her unit.

Where the granting of the absence is discretionary, considerations would include: factors beyond an employee's control that prevent him/her from attending work; severity or nature of circumstance; workload of the unit.

The exact amount of time off is at the discretion of Management; however, the entitlements of employees in specific circumstances include those described below.

34.1 Jury Duty/Required Attendance at Court

For the duration of the Jury Duty, or required attendance at an Inquest or court (subpoenaed witness), the employee's normal base earnings and benefits will be maintained. The employee is responsible for informing his/her supervisor as to the probable duration of the jury duty.

34.2 Funeral Leave

a) Provincially Regulated Employees

In the event of the death of a family member, including parent, parent-in-law, brother, brother-in-law, sister, sister-in-law, husband, wife, son, son-in-law, daughter, daughter-in-law, grandparents, grandparents-in-law, and grandchildren, an employee may be granted leave of absence with pay. The supervisor will take into consideration the relationship of the deceased, the distance that the employee has to travel, and the need for the employee to attend to arrangements when deciding how much time is to be granted. Usually a period of up to three days is an adequate amount of time. In the event of the death of a fellow employee, time off with pay may be granted to attend the funeral.

b) Federally Regulated Employees

i) An employee will be granted leave of absence on any of his/her normal working days during the three days immediately following the death of a member of his/her "immediate" family. Base earnings will be maintained for employees who have completed at least 3 consecutive months of continuous service.

"Immediate" family shall be as defined in the Canada Labour Code: spouse, including common-law; father and mother of employee; spouse of father and mother, including common-law; children; brothers and sisters; father-in-law; mother-in-law; spouse of father-in-law and of mother-in-law, including

common law and relative of employee who resides permanently in the employee's household or with whom the employee resides.

- ii) An employee may be granted leave of absence with pay of up to 3 days in the event of the death of the following family members: brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparents, grandparents-in-law, and grandchildren.
- iii) In the event of the death of a fellow employee, time off with pay may be granted to attend the funeral.

34.3 Medical and Dental Appointments

An employee may attend a medical consultation, receive dental treatment or be absent because of sickness for less than one-half day without reduction of sick leave credits and/or pay.

34.4 Family Care

An employee is entitled to take time off for family care. Normally, up to five (5) days a year may be taken for this purpose. By mutual agreement with his/her supervisor, the employee may pay for this time by using his/her banked overtime, by working back the time over a reasonable period of time, or by taking the time off without pay.

34.5 Reserve Forces

Regular employees who are members of Reserve Forces of the Canadian Armed Forces may be granted leave of absence to attend annual training (normally two weeks in duration). If such leave is granted, Hydro One will maintain the employee's health and dental benefits and will pay the employee the difference between the gross amount of pay received from the Armed Forces and his/her normal base earnings for this period.

34.6 World Class Sport Events

Employees may be granted leave to participate in world class sports events as athletes or coaches or as officials and administrators. If such leave is granted, for each day of vacation that the employee uses for participation in such an event, Hydro One will provide two days leave of absence with pay up to a maximum of two weeks.

34.7 **Remembrance Day**

Employees who can verify that they have served in the Canadian Armed Forces, and those in the Reserve components of the Canadian Armed Forces, who have served in a foreign country, will be eligible for time off with pay or payment if required to work on Remembrance Day.

35 SHORT-TERM ABSENCES

Payment for short-term absences (e.g., vacation, sick leave) will be based on the normal rate paid for scheduled job hours, except as stated elsewhere in this Agreement.

36 EDUCATION LEAVE

36.1 Definitions

“Educational Leave” shall mean an approved absence from work during which an employee engages in planned learning activities that provide him/her with skills that are expected to result in benefits to Hydro One.

“Reimbursable Costs” shall mean expenses incurred by the employee in the course of engaging in the planned learning activity and include registration, tuition and examination fees as well as textbooks/discs and applicable taxes. They may also include reasonable, incremental meal, accommodation and travel expenses.

“Financial assistance” shall mean an employee’s base salary, health and dental benefits and reimbursable costs.

36.2 Approvals

Hydro One will grant an employee’s application for an educational leave where Hydro One determines that the leave will benefit the business and the employee’s absence may be accommodated without adversely impacting the viability of his/her work unit.

36.3 Terms and Conditions During Leave

36.3.1 The duration of educational leaves will normally be for a period of up to one academic year.

36.3.2 If management determines that the needs of the business would best be served by an employee taking an educational leave, then Hydro One will maintain the employee’s full salary, health and dental benefits and reimburse his/her costs.

36.3.3 For other educational leaves, management will reasonably determine the level of financial assistance that the company will provide to the employee during the leave based on the expected resulting benefit to the business.

36.3.4 Where management continues to pay all or a portion of an employee’s base salary during an educational leave, it shall also maintain health and dental benefit coverage for the employee for this period.

36.3.5 Where Hydro One requires an employee to take an educational leave, the company will pay the employee’s full salary, health and dental benefits and reimbursable costs, including all reasonable incremental expenses (e.g., travel, accommodation, meals).

36.3.6 Where Hydro One requires an employee on leave to return to work prior to the expiry of the approved leave, the company will assume all expenses incurred as a result of this action.

36.3.7 As a condition of granting a leave application by an employee, Hydro One may require a participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed four times the duration of the leave times the percentage of base salary paid by Hydro One

during the leave. Where Hydro One requires an employee to take an educational leave, there will be no period of stipulated continued employment.

36.4 Treatment of Employee on Return from Leave

- 36.4.1 Upon completion of the leave, where the employee's pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.
- 36.4.2 Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.
- 36.4.3 In the event Article 64 is triggered during or upon completion of the leave, the employee will be redeployed in accordance with that Article.
- 36.4.4 Upon completion of an educational leave without pay, an employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service.

37 SELF FUNDED SABBATICALS

37.1 Definition

"Self-funded sabbaticals" means an approved arrangement where an employee works regularly scheduled hours while receiving eighty percent (80%) of his/her base salary for each of four years. In the fifth year, the employee is granted a leave of absence for one year, funded by the accumulated deferred pay.

37.2 Approvals

Hydro One will approve an employee's application for a self-funded sabbatical where it determines that this arrangement will benefit the business and can be accommodated without adversely impacting the viability of his/her work unit.

37.3 Terms and Conditions of Self-funded Sabbaticals

- 37.3.1 The salary holdback (i.e., twenty percent for four years) will be kept in a special account and interest will be paid annually at an appropriate rate fixed by Hydro One.
- 37.3.2 During the leave of absence (i.e., the fifth year):
- The employee may not be declared surplus.
 - The employee is responsible for his/her health and dental benefits and shall be given option of continuing coverage under the Hydro One plan through pre-payment.
 - The employee's entitlement to group life, living benefit and spousal life insurance benefits shall continue pursuant to Article 21.

- Hydro One shall pay the sum accumulated in the trust to the participating employee in a lump sum or in regular instalments.

37.3.3 As a condition of approving a self-funded sabbatical arrangement, Hydro One may require the participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed the length of the leave (i.e., maximum one year).

37.4 Treatment of Employee Upon Return from Leave

37.4.1 Upon completion of the leave the employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full (i.e., 100%) base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service, as the case may be.

37.4.2 Upon completion of the leave, where the employee's pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.

37.4.3 Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.

37.4.4 In the event Article 64 is triggered during or upon completion of the leave, subject to the other provisions in this Article, the participating employee will be redeployed in accordance with that Article.

38 EMPLOYEES HIRED AS SOCIETY STAFF

At the request of the Society, a leave of absence may be granted to an employee who is offered a Society staff position. During this period the Society will assume:

- Cost of salary;
- Hydro One's cost of contributions to the Pension Plan, the Group Life Insurance Plan and the LTD Plan.
- The responsibility and cost of providing Health, Dental and Sick Leave Insurance/coverage;
- The responsibility for any other employee contributions related to employee wages and benefits provided by the Society.
- At the end of the leave of absence, Hydro One is obligated to relocate the employee within Hydro One at a salary classification as close as possible to the position held at the time the leave of absence was granted. An employee on leave will be neither advantaged nor disadvantaged in a surplus situation.

39 RELEASE OF SOCIETY REPRESENTATIVES

39.1 Intent

Hydro One will grant elected Society representatives reasonable paid time off from normal duties for purposes of involvement in joint processes and business related to Society/Management relations under this Agreement.

Hydro One recognizes and appreciates the dual responsibility employees elected to hold Society office have to their job and to Society members. Society representatives and their supervisors (those excluded from the Society) are encouraged to pursue a mutually acceptable and cooperative approach to managing the requirement for absences as a result of this dual role. Management recognizes that the need for time off from normal duties will vary with the position that the employee holds within the Society. The higher up in the Society the more will be the demands for time off.

39.2 Specific Circumstances

39.2.1 Absence from work due to the Society representative's involvement in joint processes, tripartite processes or with respect to other business related to Society/Management relations under this Agreement, should not negatively impact on his/her performance appraisal.

39.2.2 In the expectation that the joint problem solving approach based on the principles outlined in the former Article 1.2 will be mutually beneficial to the relationship between Hydro One and the Society, Management agrees to continue its practice of maintaining base salaries for Society representatives involved in all joint processes up to but not including arbitration unless required by Management to attend.

39.2.3 Society Delegates and members of the Board of Directors will be permitted two (2) days per year at their normal base rates to attend Delegates' Council meetings. Members of the Board of Directors will be permitted up to 12 additional days per calendar year at their normal base rates, to attend Society Board meetings.

39.2.4 Hydro One will release elected Society representatives from their normal duties without pay for other Society business. The Society will give Management reasonable notice of such releases, and Management will normally release such representatives. From time to time there may be unexpected events that prevent such a release, but such situations will be the exception.

39.2.5 Hydro One shall contribute towards the salaries of the Society Executive who are employees of Hydro One. The Society Executive for this purpose shall include the President, EVP/VP. Members of the Society Executive shall remain on the payroll of Hydro One, and Hydro One shall bill the Society for the cost of salary and benefits of such persons except for an amount equal to the salary of 0.5 FTE (@ Step 9 MP6). It is understood that the salary paid to the members of the Society Executive, who are employees of Hydro One, shall be the salary specified in writing by the Society.

39.3 Treatment During Release and on Return to Work

When an employee is released from his/her regular position to serve as a Society representative he/she will retain his/her pre-release position subject to the applicable provisions of the Collective Agreement. On return to work, the employee is entitled to such reasonable training or re-skilling required to return to normal duties as is feasible.

40 VACATIONS

40.1 Vacation Entitlement

The combination of Vacation Commencement (VCD) plus External Experience Value (EEV) determines service for vacation entitlement for the purpose of this Article.

40.2 Less Than One Year of Service by June 30

One and one-half (1-1/2) days' vacation for each full month of service completed between June 30 of the previous year and July 1 of the current year to a maximum of three (3) weeks (15 working days).

40.3 One to Seven Years of Service

Fifteen (15) working days (three weeks) annually when an employee has completed from one (1) to seven (7) years of service by the end of the calendar year.

40.4 From Eight to Fifteen Years of Service

Twenty (20) working days (four weeks) annually when an employee has completed from eight (8) to fifteen (15) years of service by the end of the calendar year.

40.5 For Sixteen to Twenty-Four Years of Service

Twenty-five (25) working days (five weeks) annually when an employee has completed sixteen (16) years to twenty-four (24) years of service by the end of the calendar year.

40.6 For Twenty-Five or More Years of Service

Thirty (30) working days (six weeks) annually in the calendar year in which an employee completes twenty-five (25) years of service and in each succeeding year.

40.7 External Experience Credit

(Applicable to 4, 5, and 6 Weeks' Vacation Entitlement)

40.7.1 Appointments to Positions Paid from Salary Schedules 01, 02, 03,

Employees who were or are hired directly into, or within one year of their ECD were or are appointed to a Society-represented position and paid from Salary Schedules 01, 02, 03, 05, 06, 07, 08, 09, 13, will receive the following vacation credits for external experience, applicable to four, five, and six weeks' vacation entitlement. Credits are based upon the highest salary grade attained within one year of hiring and are translated into an External Experience Value (EEV).

The effective date of External Experience Credit entitlements will be as follows:

Salary Schedules 01, 02
Salary Schedules 03,

April 1, 1956
January 1, 1992

Salary Grade Hired Into	Vacation Credit
MP1/FMP11/TMS1-2/TS1-6/ OSS1-8/SCT3 ⁵	1 year
MP2/MF22/FMP12/TMS3/ TS7-8/OSS9/SCO1 ⁶	2 years
MP3/MF23/FMP13/TMS4/SEI1/ TS9-10/OSS10/SCO2	3 years
MP4/FMP14/TMS5/SEI2/OSS11/ SCO3	4 years
MP5/FMP15/OSS12/SCO4	5 years
MP6/FMP16/HO1	6 years

40.7.2 Appointments to Positions Covered by Article 25

An employee hired on or after December 31, 1981 to a position covered by Article 25 will receive one year's vacation credit³.

40.8 Vacation Credit for Prior Service

Employees will be entitled to vacation credits for all prior service with Hydro One, including casual employment, regardless of breaks in service (see Section 9.3 Transition Provisions).

40.9 Vacation Without Pay

Up to one week off without pay may be taken by employees for vacation purposes.

40.10 Use of Vacation Credits of Succeeding Year at Christmas

For purposes of taking time off at Christmas (December 15 to December 31) employees will be permitted to utilize earned vacation credits for the succeeding year.

40.11 Banked Vacation

Effective January 1, 1993, upon eligibility for 25 working days (five weeks) of annual vacation, employees may defer and accumulate any vacation entitlement beyond 15 days per year. A maximum of 30 weeks' vacation may be banked. Banked vacation may be taken at a later date, subject to the supervisor's approval, or may be taken as a cash payment upon retirement.

40.12 Vacation Bonus

Employees shall receive one day's base pay (or adjusted earnings) for each year of service beyond twenty-five (25) years, to a maximum of ten (10) days' pay. ***On retirement or termination, vacation bonus payout will be prorated based on the employee's VCD.***

⁵ Relevant work experience of one year or more is required to receive this credit.

⁶ Relevant work experience of two years or more is required to receive this credit.

40.13 Vacation Entitlement on Retirement/Termination

40.13.1 Retirement

A retiring employee may take part/all of earned vacation for the year in which he/she retires, plus authorized carryover from previous years and banked vacation, or receive cash payment in lieu, plus any vacation bonus.

40.14 Vacation Pay on Retirement/Termination is as follows:

- a) If an employee terminates between July 1, and December 31, he/she receives the following:
 - i) pay for any unused vacation days earned up to June 30, and not taken during the current calendar year; plus
 - ii) 4% of accumulated earnings from July 1, to the date of termination, or the appropriate percentage (determined by vacation entitlement) of base earnings from July 1, to the date of termination; whichever is greater.
- b) If an employee terminates between January 1, and June 30, he/she receives the following:
 - i) 4% accumulated earnings from July 1, to date of termination, *or* the appropriate percentage (determined by vacation entitlement) of base earnings from July 1, to the date of termination; whichever is greater; *minus*
 - ii) vacation taken in the current calendar year.

"Base earnings" in this Section refers to base pensionable earnings for normal scheduled hours of work.

"Accumulated earnings" in this Section refers to base earnings, plus overtime pay, shift allowances, etc.

The appropriate percentages determined by vacation entitlement are as follows:

- 4% of accumulated wages if entitlement is 10 working days or less annually;
- 6% of base earnings or adjusted earnings to date if entitlement is 15 working days annually;
- 8% of base earnings or adjusted earnings to date if entitlement is 20 working days annually;
- 10% of base earnings or adjusted earnings to date if entitlement is 25 working days annually plus any vacation bonus;
- 12% of base earnings or adjusted earnings to date if entitlement is 30 working days annually plus any vacation bonus.

If the reason for termination is the death of an employee, the payment will be made to the estate or beneficiary.

For calculation purposes, the termination date is the employee's last day of work. The employee is removed from payroll on this date.

In cases where the termination is due to causes other than death, the termination date must not be extended to permit use of outstanding vacation credits or lieu days which are paid for in cash on termination.

40.15 Deferment or Interruption of Vacations

40.15.1 Reimbursement will be made for out-of-pocket expenses incurred by an employee who, at the request of Hydro One, either defers an approved vacation or returns before the vacation has expired.

40.15.2 When an employee is called back from vacation or when an employee's vacation is cancelled at the request of Hydro One, the employee shall receive premium rates of pay for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days.

40.15.3 Deferred or interrupted vacation days will be rescheduled at a later date.

40.16 *Vacation Carry-Over*

Where it is mutually agreeable, the employee may carry-over a maximum of one week's vacation to the following year (to be taken by March 31 of that following year). Request for carry-over must be made prior to September 1.

41 STATUTORY HOLIDAYS AND FLOATING HOLIDAYS

For federally regulated employees, the parties agree that Article 41 meets the requirements of Part III, Division V, General Holidays of the Canada Labour Code and that the Civic Holiday is substituted for November 11 (Remembrance Day).

41.1 The following days are recognized by Hydro One as Statutory Holidays:

New Year's Day	Christmas Day	Good Friday
Boxing Day	Victoria Day	Labour Day
Canada Day	Thanksgiving Day	Civic Holiday
Easter Monday	<i>Family Day</i>	

If a Statutory Holiday falls on a day when an employee is off on sick leave, pay is not charged against sick leave credits for that day. A Statutory Holiday falling within an employee's vacation period is not counted as part of the vacation, but is taken as an extra day of holiday.

Payment for statutory holidays will be on the basis of straight time for the normal hours of work per day.

41.1.1 When Canada Day falls on a Saturday or Sunday, it shall be observed on the following Monday.

- 41.1.2 When Christmas falls on a Friday and Boxing Day on Saturday, a half holiday will be granted on the preceding Thursday. The days of observance will not be moved.

When Christmas falls on a Saturday and Boxing Day on a Sunday, a half holiday will be granted on the preceding Friday. Christmas will be observed on Saturday. Boxing day will be observed on Monday.

If Christmas Day falls on a Sunday, it shall be observed on Monday and Boxing Day on Tuesday.

When Christmas Day falls on a Tuesday, Boxing Day shall be observed on Monday.

When Christmas falls on a Wednesday and Boxing Day falls on Thursday, the Friday following Boxing Day will be granted as an additional holiday. The days of observance will not be moved.

- 41.1.3 When New Year's Day falls on a Saturday, an additional holiday shall be granted on either the preceding Friday, or the following Monday. The day of observance will not be moved.

When New Year's day falls on a Sunday, it shall be observed on Monday.

- 41.1.4 Holiday Shutdown

Hydro One may authorize a shutdown over the Christmas - New Year period. In order to encourage employees to voluntarily take this time off, employees will be allowed to use up earned vacation from the following calendar year in order to cover the shutdown period.

41.2 Floating Holidays

Employees who have completed 20 weeks of continuous service in any calendar year are entitled to three floating holidays. Such days will be taken on dates mutually agreeable to the employee and the supervisor. Floating holidays must be taken in the year they are earned (i.e. there is no carryover for floating holidays).

If an employee terminates after completing 20 weeks of continuous service in a calendar year, Hydro One will make a cash payment in lieu of any unused floating holiday credits.

If an employee terminates prior to the completion of 20 weeks of continuous service in a calendar year, entitlement is as follows:

- An employee not entitled to floating holidays in the previous calendar year is not entitled to floating holidays in the current calendar year. If an employee has been granted a floating holiday(s), Hydro One will recover one day's pay for each floating holiday taken.
- For an employee entitled to floating holidays in the previous calendar year, entitlement will be prorated based on the number of weeks of continuous service in the year of termination. Hydro One will either make a cash payment for any unused floating holiday credit or recover the value of any unearned portion taken.

42 EMPLOYMENT INSURANCE COMMISSION REBATE

The value of any Employment Insurance Commission (EI) rebate shall accrue to Hydro One.

43 PREGNANCY/PARENTAL LEAVE

Definitions

Pregnancy leave means a leave of absence of up to 17 weeks for a pregnant employee who has been employed by Hydro One for at least 13 weeks immediately preceding the expected birth date. Unless provided for in this Article, this leave is without pay.

Parental leave means a leave of absence for an employee who has been employed by Hydro One for at least 13 weeks and who is the parent of a child. This employee is entitled to a leave of absence following the birth of the child, or the coming of the child into the custody, care and control of the parent for the first time. Unless provided for in this Article, this leave is without pay.

For an employee who takes pregnancy leave, the leave of absence is for a period of up to 35 weeks. For an employee who does not take pregnancy leave, the leave of absence is for a period of up to 37 weeks.

43.1 Pregnancy Leave

- a) Start Date: Pregnancy leave may begin at any time during the 17 weeks immediately preceding the expected date of delivery.
- b) End Date: Pregnancy leave normally ends 17 weeks after the pregnancy leave began.
- c) Notice: The employee must give Hydro One as much notice as possible and a certificate from a legally-qualified medical practitioner stating the expected birth date. In no case, however, will the employee provide less than two weeks' written notice of the day the leave is to begin.
- d) Reinstatement: At the end of pregnancy leave, the employee will be eligible to return to the position the employee had prior to the leave, if it still exists, or to a comparable position, if it does not.
- e) Benefits: Hydro One will continue to pay Hydro One portion of the contributions for Group Dental, Extended Health Benefits, Pension Plan, Life Insurance, and any other type of benefit plan related to the employee's employment as prescribed by the *Employment Standards Act* for provincially regulated employees, and the *Canada Labour Code* for federally regulated employees, for the duration of the pregnancy leave, unless the employee gives Hydro One written notice that the employee does not intend to pay the employee portion of the contributions, if any.
- f) Service Credits: Employees on pregnancy leave shall be entitled to normal accumulation of service credits for the duration of the pregnancy leave.
- g) A pregnant employee may continue to work during a normal pregnancy until such time as the duties of her position cannot be reasonably performed.
- h) An employee on pregnancy leave does not qualify for sick leave.

43.2 Parental Leave

- a) Start Date: The parental leave must begin no later than 52 weeks after the day the child is born or comes into the custody, care and control of the parent for the first time for provincially or federally regulated employees.

The parental leave of an employee who takes a pregnancy leave must begin when the pregnancy leave ends unless the child has not yet come into the care and control of the parent for the first time.

- b) End Date: Parental leave normally ends 35 weeks after the parental leave began for an employee who also took pregnancy leave or 37 weeks for an employee who did not take pregnancy leave.
- c) Notice: The employee must give Hydro One as much notice as possible but in no case will there be less than two weeks' written notice of the date the leave is to begin.
- d) Reinstatement: At the end of parental leave, the employee will be eligible to return to the position the employee had prior to the leave, if it still exists, or to a comparable position, if it does not.
- e) Benefits: Hydro One will continue to pay the employer portion of the contributions for Group Dental, Extended Health Benefits, Pension Plan, Life Insurance, and any other type of benefit plan related to the employee's employment as prescribed by the Employment Standards Act for provincially regulated employees, and the Canada Labour Code for federally regulated employees, for the duration of the parental leave, unless the employee gives Hydro One written notice that the employee does not intend to pay the employee portion of the contributions, if any.
- f) Service Credits: Employees on parental leave shall be entitled to normal accumulation of service credits for the duration of the parental leave.
- g) An employee on parental leave does not qualify for sick leave.

43.3 Benefits Under the Supplementary Unemployment Benefit (SUB) Plan

- a) In order to be paid a leave benefit in accordance with the SUB Plan, the employee:
- i) must provide Hydro One with proof that she/he has applied for, and is eligible to receive unemployment insurance benefits pursuant to the *Employment Insurance Act* (EI); *and*,
 - ii) must be regular and employed by Hydro One for at least 13 weeks immediately preceding the date of delivery/adoption; *and*,
 - iii) must (a) be on pregnancy leave, *or* (b) be on parental leave.
- b) According to the SUB Plan, payments will consist of the following:
- i) for the first two (2) weeks, payments equivalent to ninety-three percent (93%) of the employee's base pay (pregnancy leaves only, not parental leaves); *and*

- ii) when receiving EI benefits, payments equivalent to the difference between the EI benefits and ninety-three percent (93%) of the employee's base pay. See attached chart for duration of this "top up".
 - iii) where an employee becomes eligible for an annual increment/salary schedule adjustment during the period of pregnancy/parental leave, payments under 43.3(b)(i), 43.3(b)(ii) and 43.3 (b)(iii) shall be adjusted accordingly.
- c) An employee who qualifies under Section 43.3(a) shall sign an agreement with Hydro One providing:
- i) that she/he will return to work and remain in Hydro One's employ for a period of six (6) months from the date of return to work;
 - ii) that she/he will return to work on the date of the expiry of pregnancy/parental leave, unless this date is modified with Hydro One's consent or unless the employee is then entitled to a leave extension provided for in this Article;
 - iii) that should the employee fail to return to work as per the provisions of Subsections 43.3(c)(i) and 43.3(c)(ii), the employee recognizes that she/he is indebted to Hydro One for the amount received under the SUB plan.

PREGNANCY/PARENTAL LEAVES - TIME LINES

PROVINCIAL

(Only maximum entitlements available are shown)

Birth Mothers:

Pregnancy Leave

2 wks 93%	15 wks EI SUB=93%
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Plus Parental Leave as outlined below.

All Parents who are Entitled to Parental Leave and EI Benefits in accordance with Employment Standards Act

Parental Leave if EI Eligible

2 week waiting period (if required)* Unpaid	3 weeks EI + SUB = 93%	Maximum 32 weeks EI
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- Duration of Parental Leave is maximum 35 weeks if the employee has preceded their Parental Leave with Pregnancy Leave. Otherwise, maximum is 37 weeks.

* Note: A waiting period is not always required. Should parents choose to share parental benefits, the parent filing the second claim will not be required to serve a two-week waiting period. There will be one waiting period per birth or adoption.

All Parents who are entitled to Parental Leave in accordance with Employment Standards Act but who are ineligible for EI Benefits

Parental Leave if ineligible for EI

Maximum 35 weeks Unpaid

44 SICK LEAVE PLAN

It is recognized that the provisions of the Sick Leave Plan are not an automatic right of an employee and that administration of this Plan and all decisions regarding the appropriateness or degree of its application shall be vested solely in the Company.

- 44.1 The Sick Leave Plan provides for maintenance of an employee's income when he/she is absent from work due to illness or non-occupational injury.
- 44.2 Employees are granted 23 days of sick leave a year - eight (8) days at full pay and 15 days at three-quarter pay. These grants accumulate continuously each year if not used, up to a maximum of 200 days at three-quarter pay and no limit to the number of days at full pay.
- 44.3 (This Section applies only to employees hired before January 1, 2002. It does not apply to employees hired on or after this date). In the year in which an employee completes six years of service, all sick leave used in the first year of service will be restored. In the 7th year of service, all sick leave used in the 2nd year of service will be restored. This will continue until the employee has completed 15 years of service. In the 16th year of service, all sick leave used in the 11th through to the 15th years of service will be restored. In every year after 16 years of service, sick leave credits will be restored at the end of the year following the year in which they were used. There will be no payout of unused sick leave credits when an employee leaves the service of Hydro One.
- 44.4 An employee will be reimbursed for any doctor's note required by Hydro One.
- 44.5 The following provisions apply only to employees hired on or after January 1, 2002. They do not apply to employees hired before this date.
 - 44.5.1 When employees have exhausted their sick leave credits and are on sick leave, they will be paid at 75% of their base rate for a period of up to 6 months or until approved for Long Term Disability (LTD), whichever comes first.
 - 44.5.2 Employees who are on continuous sick leave for 6 months and who qualify must go on LTD.
 - 44.5.3 In the event of denial of LTD benefits, employees will have their wages maintained at 75% of their base rate until completion of their LTD appeal, for a period not to exceed 2 months.

45 LONG TERM DISABILITY

The Long Term Disability (LTD) Plan provides financial security and rehabilitative employment features to regular employees during their absence from work due to extended sickness or injury. The benefits and terms and conditions of benefit entitlement of the Long Term Disability Plan are as described in: the Collective Agreement and the brochure entitled "Sick Leave and Long term Disability Plans, updated May 31, 2000". These documents, by reference, form part of the Collective Agreement. The benefits and terms and conditions of benefit entitlement as described in the above documents can be changed by mutual consent only.

45.1 Qualifying Period

The qualifying period is defined as the period six calendar months from the starting date of the employee's continuous absence due to disability; or a total of six months in accumulative authorized medical absences in the year prior to the date sick leave expires due to the same progressively deteriorating disability; or the expiration of sick leave whichever is longer.

45.2 Disability Period

The period in which an employee cannot continuously perform the essential duties of any position available in accordance with the priority placement criteria of the Rehabilitation and Re-employment Procedure.

45.3 Benefits

During the disability period, the plan will provide an income equal to the lesser of:

Sixty-five percent (65%) of base earnings at the end of the qualifying period for LTD benefits, or

Seventy-five percent (75%) of base earnings at the end of the qualifying period for LTD benefits less any pension entitlement and/or any supplement from the WSIB (excluding the Non-Economic Loss award) and or the Canada Pension Plan, excluding benefits for dependents.

A person who runs out of sick leave credits during the qualifying period will be granted a leave of absence without pay until such time as the LTD qualifying period elapses. The employee will continue to receive service credit during this period and have coverage maintained in, but will not be required to contribute to, the Hydro One Pension Plan, Health and Dental benefits, and the Group Life Insurance Plan.

45.4 Other Conditions

45.4.1 Hydro One and/or the insurance carrier reserve the right to periodically obtain necessary proof of continued disability. If at any time an individual who has been declared disabled and placed on LTD is capable of returning to any further service with Hydro One, Hydro One will request and the Society will normally grant a waiver of posting requirements except in the case of redeployment under Employment Continuity.

45.4.2 Employees who are in receipt of LTD benefits will have their LTD benefit levels adjusted by the indexation increase which is applied to Hydro One's Pension Plan.

45.4.3 Where a position is identified that both Hydro One and the employee on LTD agree he/she can become qualified for through educational retraining, Hydro One will pay tuition fees associated with the retraining, up to a maximum of three years.

45.4.4 Employees on LTD must apply for CPP disability benefits after an appropriate period (6 months) unless there are compelling (e.g., medical) reasons that prevent the employee from doing so.

46 WORKERS' COMPENSATION LEAVE

An employee awarded a Workers' Compensation grant shall be granted a compensable disability leave with compensation made up of a tax-free Workplace Safety and Insurance Board award, and a taxable top-up grant for the duration of Workers' Compensation Disability benefits. The top-up grant will ensure an employee's net pay is maintained.

If the employee is awarded a **Loss of Earnings (LOE)** award and is unable to perform the essential duties of any available job, the leave and top-up grant will be extended for the first 24 months of the **LOE** award. If an employee is unable to return to work during the first two years of a **LOE** award, an application for LTD should be submitted. The qualifying period is waived in these cases, and LTD benefits will be payable at the expiry of the first **LOE** for a qualifying employee.

Pending a decision of the Workplace Safety and Insurance Board regarding the legitimacy of a claim the employee will receive sick leave. Employees who are receiving Workers' Compensation benefits for claims or injuries suffered while in the employ of an Employer other than Hydro One are required to notify Hydro One of being in receipt of those benefits in order to qualify for the top up grant. These employees will not be eligible for sick leave while receiving Workers' Compensation benefits for the top-up grant.

The top-up grant for compensable disability leave will be withheld if the employee refuses a medically suitable position that she/he is capable of performing, pursuant to the provisions of Article 47 ("Rehabilitation and Re-Employment") of the Collective Agreement. The grant may also be withheld where an employee is subject to appropriate discipline or discharge for cause pursuant to Article 17 ("Discipline and Discharge").

Authority for withholding the supplementary grant is vested in Directors.

47 REHABILITATION AND RE-EMPLOYMENT

47.1 Application

This Article applies to Hydro One employees ("eligible employees") who:

- Qualify for Long Term Disability (LTD) Plan benefits; and/or
- Have been approved for a Workplace Safety and Insurance Board (WSIB) award; and/or
- Are regular employees who have medical disabilities that prevent them from performing the essential duties of their jobs. These employees are referred to as medically-restricted-at-work (MRAW).

47.2 Definitions

"Medical rehabilitation" shall mean medical support services to facilitate speedy and maximum recuperation prior to or during rehabilitative employment, including physical, psychological or emotional assessments, therapy, treatment and conditioning.

"Vocational Rehabilitation" shall mean support services to facilitate re-employment, including assessment of transferable occupational skills/aptitudes, identification of specific job accommodation and associated training requirements and formulation of rehabilitative employment plans and counselling.

“Rehabilitative employment” shall mean temporary work assigned to a recovering or recovered employee with an ultimate goal of continuing full employment.

“Affected employees” shall mean employees who have undertaken vocational rehabilitation assessments provided by Hydro One and the results indicate a need for active services to facilitate the goal of returning to continuing full employment. This classification includes employees in receipt of LTD benefits who are assessed medically able to return to work.

“Rehabilitative employees” shall mean employees who are eligible for rehabilitation and are capable of rehabilitative employment.

47.3 General

Rehabilitation employment may not be used as a means to manage, discipline or place employees with poor/unsatisfactory performance unrelated to medical reasons.

47.4 Vocational Rehabilitation

47.4.1 Hydro One shall identify eligible employees as soon as possible and ensure their timely assessment regarding their need for vocational rehabilitation services.

47.4.2 Hydro One shall provide timely vocational rehabilitation services for affected employees. The goal is to facilitate the employee’s re-employment in a continuing capacity that will make maximum use of his or her capabilities.

47.4.3 Hydro One shall develop a rehabilitation plan (“the plan”) for each affected employee. The plan is subject to mutual agreement of the employee, his/her personal physician, the Society (if its participation has been requested by the employee) and Hydro One. The plan will establish a return to work goal that is reasonable and realistic in the circumstances (e.g., recognition that a six-month rehabilitation may be insufficient for LTD benefit recipients in some cases). It will also describe the training, conditioning and therapy programs required to enhance the employee’s capabilities within a defined timeframe. It will include an assessment of an affected employee’s job accommodation needs (e.g., reduced hours, modified light duties, altered work station). The plan shall have a pre-determined duration and will be subject to periodic monitoring to assess the need for corrective actions to maximize the probability of successful continuing full time employment. Any party to the plan may request its review and/or revision.

47.4.4 Hydro One shall pay for vocational rehabilitation services and reimburse employees for reasonable expenses related to vocational rehabilitation.

47.4.5 Affected employees shall cooperate in the development of their vocational rehabilitation plans. MRAW employees shall provide confirmation of the nature of their medical restrictions by his/her personal physician to Hydro One or arrange with Hydro One to have these restrictions assessed.

47.5 Rehabilitative Employment

47.5.1 This section applies to rehabilitative employees.

- 47.5.2 An employee is entitled to placement in a medically suitable and reasonable position that accommodates his/her needs as identified in his/her rehabilitation plan (e.g., reduced hours, modified duties). Where an employee is MRAW, his/her fitness to perform essential duties of a job and work restrictions shall be identified.
- 47.5.3 Although the goal of rehabilitation is continuing employment in a full-time position, some employees have medical disabilities that may not be supportive of working full-time. Where the rehabilitation plan identifies reduced hours (minimum 14 hours maximum 28 hours per week) as a permanent medical restriction (supported by medical evidence) the employee will be re-employed and accommodated in an available and suitable ongoing position while retaining his/her LTD status.
- 47.5.4 The priority placement shall be the employee's return to his/her pre-disability position. Hydro One shall make all efforts to accommodate the employee in his/her pre-disability position.
- 47.5.5 In the event that efforts to satisfy an employee's assessed accommodation needs in his/her pre-disability position are not feasible or upon mutual agreement of the employee, Hydro One and the Society (where the employee has requested its participation), employees may be placed in a suitable alternate position. In these cases, Hydro One shall identify a target position or family of positions compatible with the employee's medical restrictions.
- 47.5.6 Where suitable alternate placement is required or agreed upon, an employee shall apply for vacancies identified by Hydro One as having essential job duties compatible with his/her medical restrictions.
- 47.5.7 Employees will be selected for suitable alternate positions in accordance with Article 65. Where more than one position is available, the employee will be offered the position nearest the salary level of the pre-disability position. The job offer may be no more than two salary levels below the pre-disability position.
- 47.5.8 Priority will be given to placement of employees in positions within Hydro One. External job opportunities, however, will be explored if appropriate internal positions do not exist. The employee must agree to any external placement.
- 47.6 Terms and Conditions of Rehabilitative Employment
- 47.6.1 Base salary in rehabilitative employment positions shall reflect normal scheduled hours worked at the current base hourly rate of the position (i.e., prorating shall apply in reduced hours situations).
- 47.6.2 When a rehabilitative employee is placed in a position whose salary grade is lower than his/her pre-disability position, Hydro One will maintain the base salary and benefits of the pre-disability position until the employee's current pay entitlement as determined by **step placement** in the new position exceeds that of the pre-disability position.

- 47.6.3 Rehabilitative employees shall continue to receive approved LTD/WSIB/Sick Leave benefits in accordance with the applicable statutory or collective agreement provisions. However, these entitlements shall be adjusted so that the total of the rehabilitative base salary and these benefits shall not exceed the current full-time base rate of the position occupied by the employee prior to disablement.
- 47.6.4 Where an employee returning from LTD receives a base salary less than the LTD benefit, Hydro One shall pay a supplementary amount equal to the shortfall to the employee.
- 47.6.5 Employees in receipt of LTD benefits shall receive the greater of the base salary for hours worked or LTD benefit entitlement.
- 47.6.6 Employees in receipt of LTD benefits shall continue to receive full (i.e., full time) service credit during rehabilitative employment and have full coverage (i.e., no prorating) in the Pension and Group Life Insurance Plans.
- 47.6.7 Rehabilitative employees shall be eligible for performance pay increases. They shall receive performance appraisals where medical restrictions do not preclude their application. Performance appraisals and pay adjustments shall take into account medical restrictions with respect to establishing goals and measuring achievements.
- 47.6.8 Following the successful completion of rehabilitative employment and placement in an ongoing position, the employee shall be ineligible for LTD/WSIB/Sick Leave benefits and will receive the normal base salary for their position.

47.7 Termination of Employment

In the event an eligible employee refuses reasonable rehabilitative employment or a reasonable job offer for re-employment, the employee shall be terminated without entitlement to LTD benefits. Where an employee grieves termination for medical incapacity an arbitrator shall have jurisdiction to consider relevant post-termination evidence of rehabilitation.

PART X - HEALTH BENEFITS

Hydro One, through its claims services provider, shall provide extended health benefits and dental coverage as outlined in the brochure entitled "Health and Dental Plan for Society (effective **April 1, 2008**)" (dated **January 12, 2009**) as amended pursuant to Section 48.3 and in accordance with the insurance carrier contract in effect at the commencement of the collective agreement. This does not in any way restrict the Employer's right to change the insurance carrier provided employee benefits are unaffected.

48 EXTENDED HEALTH BENEFITS (EHB)

- 48.1 Hydro One agrees to offer employees the option of using the Preferred Vision Services (PVS) Plan, subject to its availability.
- 48.2 Subject to the written consent of the Society, on a case by case and without prejudice basis, Hydro One and individual employees may enter into written agreements ("individual agreements") whereby, for a specified duration, the employees may waive their rights under the EHB Plan and opt for a different/alternative treatment. This enabling provision does not constitute an employee entitlement to different/alternative treatments but rather allows special requests to be accommodated by mutual agreement without increasing the costs of, or entitlements under, the EHB Plan. Neither the provisions of these individual agreements nor the decision by any party not to enter into such an arrangement are grievable.
- 48.3 The health and dental plan and associated brochure shall be amended to include provision for the following changes;
- Increase vision care to **\$600** every two years effective **January 1, 2015**.
 - Increase coverage of chiropractic charges (excess over OHIP coverage) to \$700 per year.**
 - Mandatory use of generic prescription drugs unless the employee's prescribing regulated health professional requires the use of brand name prescription drugs on medical grounds.**
 - Align coverage of hearing aids with coverage under Ontario Government's Assisted Devices Program (ADP): reimbursement for the purchase of a replacement hearing aid is limited to when the existing hearing aid is not suitable and/or cannot be repaired at a reasonable cost.**
 - Change definition of "reasonable and customary" charges to be calculated provincially.**
 - Ontario Drug Benefit (ODB) Plan – Coordination with Hydro One Plan: amend to apply to employees aged 65 and over. Effective when ODB Plan changes introduced as part of the March 2012 Ontario budget are implemented, cap reimbursement for ODB Plan deductible at \$100 per year for an individual and \$200 per year for a couple.**

49 DENTAL PLAN

- 49.1 Effective January 1st of each year of the collective agreement, the dentist fees will be paid up to the amounts shown in the current Ontario Dental Association (ODA) Fee Guide.

50 SEMI-PRIVATE HOSPITAL ACCOMMODATION PLAN

Coverage under the Semi-Private Hospital Accommodation Plan is unchanged.

51 PERSONAL ACCIDENTS

- 51.1 Hydro One shall pay accident benefits to employees for accidental bodily injury causing temporary total disability, permanent total disability or death in accordance with the current Table of Personal Accident Benefits.
- 51.2 Hydro One shall reimburse employees for medical expenses incurred as a result of an accident in excess of coverage provided by the Hydro One health benefits plans, OHIP or WSIB to the extent permitted by law

PART XI- RELOCATION ASSISTANCE

The following provisions apply to regular employees and are outlined in the brochure entitled "Relocation Assistance Benefits for Performance Paid Staff" (1995). Employees in positions covered by Article 25 will receive the treatment contained herein when appointed to regular positions, and required to relocate as a result of Hydro One's business.

52 HOUSING ASSISTANCE PLAN

52.1 Intent

- 52.1.1 Hydro One's purchase of an employee's principal place of residence is designed to ensure that an employee who moves will not be forced to endure unreasonable periods of family separation or inconvenience due to inability to sell the employee's home at a fair market price.
- 52.1.2 It will be the prerogative of Hydro One to reject an employee's application for Housing Assistance if in Management's opinion the property is not an acceptable risk.
- 52.1.3 The employee must abide by all of the requirements of the Housing Assistance Plan. Failure to do so will result in the employee becoming ineligible for housing assistance from Hydro One.

52.2 Purchase Guarantee

- 52.2.1 Hydro One will provide a purchase guarantee based on an appraisal of the property's current worth by a group of up to three appraisers, to be selected by the Real Estate Service in conjunction with the employee.
- 52.2.2 Hydro One will not request appraisals until the employee is ready to list his or her house in the marketplace providing this is within one year of the employee's transfer to the new work location and the employee is prepared to abide by Subsection 52.2.4 and Subsection 52.3.1.
- 52.2.3 The employee must acknowledge acceptance or rejection of Hydro One's Purchase Guarantee within five days of its receipt. If the employee rejects the Purchase Guarantee, Hydro One has no further responsibility with regard to Housing Assistance or the Purchase Guarantee.
- 52.2.4 If the employee wishes to participate in the Housing Assistance Plan, the employee must not list the property for sale until the Purchase Guarantee has been accepted.
- 52.2.5 Home Appraisal Documentation

Hydro One will provide the Society with an initial six month report of home appraisal documentation prior to January 1, 1995. Representatives from Hydro One and the Society will meet to discuss the particular form and content of subsequent reports. Upon agreement on the form and content a letter of understanding will be developed which will require the report to be given to the Society on a semi-annual basis for the term of this collective agreement. Any

anomalies in the report may be discussed by the Society and the Hydro One confidentially with full disclosure of information (including appraisals).

52.3 Listing of Property

- 52.3.1 If an employee chooses to participate in the Housing Assistance Plan, by accepting the Purchase Guarantee, the employee will immediately list the property for 90 days on MLS (where such service is available) at a price not exceeding 107% of the guaranteed price.
- 52.3.2 The employee will retain the right to sell to a third party until such time as the property is turned over to Hydro One for resale.
- 52.3.3 In order to assist the employee to dispose of the property expeditiously and at a fair market value, the employee should notify the Employee Relocation Administrator of all offers to purchase during the listing period. Hydro One may ask the employee to accept an offer which is lower than the Purchase Guarantee, whereupon the employee will be compensated for the difference between Hydro One's Purchase Guarantee and the amount of the offer. The employee's acceptance of any offer less than Hydro One's Purchase Guarantee is not mandatory and the employee will retain control of the sale of the residence throughout the listing period. All offers to purchase will be held in confidence by the Employee Relocation Administrator.

52.4 Sale of Property by Hydro One

- 52.4.1 The employee must be prepared to sign power of attorney authorizing Hydro One to sell property on the employee's behalf on the first day following the 90 day listing period. If the employee will be unable to vacate the premises at that time, the Employee Relocation Administrator must be notified.
- 52.4.2 Hydro One will pay to the employee the difference between the value of the property to Hydro One (Purchase Guarantee) and all existing encumbrances, including the advance of equity.
- 52.4.3 When an employee applies for assistance under this procedure, he or she must declare under oath, if required by Hydro One, all encumbrances of any nature or kind whatsoever, including executions, chattel mortgages, and notices of conditional sales contracts which the employee is obliged to pay.
- 52.4.4 In consideration of the payment to the employee of the amount established in Subsection 52.4.2, the employee will complete a deed of sale of the property, conveying the same by good and marketable title, but subject to all existing encumbrances, to Hydro One or its nominee.

52.5 Advance of Equity

In order to provide the employee with funds for a deposit or down payment on a residence at the new location, an advance of up to 100% of the employee's equity (Purchase Guarantee minus encumbrances) in the residence at the former location may be loaned to the employee by Hydro One. Advance of equity is interest free for employees who avail themselves of the Purchase Guarantee for 90 days for until the house is turned over to Hydro One or until the closing date of the sale of the house to a

third party, whichever comes first. For employees who reject the Purchase Guarantee, the advance of equity is interest free for 90 days. Repayment is as set out in the Relocation Assistance Benefits brochure.

53 MOVING EXPENSES

53.1 Intent

- 53.1.1 Since Hydro One has province-wide operations, employees may be required to move about the Province as part of their jobs. For clarification, relocation assistance entitlements are not limited to moves within the Province.
- 53.1.2 Hydro One recognizes that there may be a number of relatively costly expenditures associated with moving and will endeavour to ensure that such expenses will be adequately covered.
- 53.1.3 Hydro One will not assume responsibility to compensate for any upgrading in an employee's standard of living which may take place as a result of moving.
- 53.1.4 The Housing Assistance Plan will apply to the employee's principal place of residence and will not cover summer cottages, commercial real estate holdings or other secondary properties.
- 53.1.5 Employees who receive any moving expenses are subject to Canada Customs and Revenue Agency rules and regulation.
- 53.1.6 Relocation expenses will not be paid for work headquarter transfers within the boundary of the current City of Toronto, save for exceptional circumstances of hardship as may be reasonably determined by Hydro One.
- 53.1.7 Notwithstanding anything in this Article, in order to qualify for moving expenses after the employee's headquarters moves, the headquarters move must result in a greater distance from the employee's home.

53.2 Minimum Moving Distance

- 53.2.1 Normally, an employee must move a minimum of 40 road kilometres by the shortest normal route closer to the new work location to qualify for relocation assistance.
- 53.2.2 The provisions set out in Subsection 53.2.1 will apply unless Mid-Term agreements pursuant to Article 7 are in effect.

53.3 Expenses for Reimbursement

53.3.1 Household Effects

Hydro One will arrange for and shall pay the cost of packing, moving by freight or truck and insurance charges on household effects.

53.3.2 Home Buying and Legal Fees

Employees shall be reimbursed for legal disbursements and real estate brokerage fees associated with the purchase and/or sale of property valued up to five times the employee's annual base salary in the new location at the time of job transfer as follows:

a) Legal Fees

- The employee will advise Hydro One of his/her preferred lawyer. Hydro One will request the lawyer for an estimate on what the fees will be to complete the sale and/or purchase transaction. If Hydro One finds the solicitor's estimate to be unreasonable, Hydro One will ask the employee to recommend another solicitor to close the transaction.
- Legal fees and disbursements actually incurred in selling an old and buying a new residence will be paid by Hydro One.
- Legal fees shall be defined to include fees for arranging or discharging a first mortgage when required and will include land transfer tax.
- Disbursements shall be defined herein as those items paid by a lawyer on behalf of the employee for services in connection with the purchase or sale of the employee's residence including land transfer tax and land surveys when required, Ontario New Home Warranty Program if required for a new house, GST, and penalty costs to a maximum of three months' interest payments involved in discharging a first mortgage on the residence in the former location when required.

b) Referral Fees/Home Inspection

- When the employee is prepared to submit an offer to purchase on a property, Hydro One will make arrangement for one home inspection at Hydro One's expense. All offers to purchase should have a clause in the offer conditional upon the positive results of an inspection report. Any additional inspections for any reason will be at the employee's expense.
- Real estate brokerage fees charged by a real estate agency to the maximum standard recognized scale for services rendered in selling the employee's house shall be paid by Hydro One.

Note: The changes identified above are not meant to take away the existing right of the employee to select the real estate agent or lawyer.

53.3.3 Transfer Expenses

A transferred employee is expected to make arrangements to move expeditiously but this should not exceed a period of one year from date of transfer, except where there is a specific agreement between the employee and local management for an extension. The employee must provide in writing his/her intention to move to the supervisor, prior to receiving payment for any applicable living expenses. Reimbursement for actual costs incurred in the move will be allowed as follows:

- All employees who are eligible for moving expenses shall be afforded 12 weeks from the date the employee reports to work in the new location (i.e., date of transfer) to decide whether or not they wish to move. Payment of the following expenses is predicated on the employee maintaining his/her previous principal residence:
 - a) During this 12 week period, the employee shall have the option of either commuting to and from his/her new work location and receiving incremental travel expenses (i.e., additional travel costs beyond the employee's normal travel costs to the old work location), the total cost of which not to exceed living expense equivalent, or being paid living expenses in the new location. If the employee expressly indicates that he/she does not intend to relocate his/her residence, all expenses will cease at that time.
 - b) All expenses will stop at the end of the 12 week decision period unless the employee has provided in writing his/her intention to move within one year of date of transfer. Providing that the employee demonstrates to Management's satisfaction that arrangements to move with employee's family to the new location are being made as quickly as possible, the employee's living expenses in the new location or incremental travel expenses will be paid until such time as the employee moves or for a period not to exceed a further 6 months unless the employee can demonstrate serious hardship, in which case the period of expense coverage is 9 months (in addition to the initial 12 week decision period). The time limits mentioned above may be extended by a specific mutual agreement between the employee and line management for a total period not to exceed two years from the date of transfer.
 - c) If an employee, after providing written notification of his/her intention to move fails to do so, all expenses paid on his/her behalf or travel expenses paid to him/her for any period beyond the initial 12 weeks from the date of transfer or the date of his/her written intent to move, whichever comes first, shall be repayable to Hydro One. Repayment shall be made within one month of a written communication stating his/her intention not to move or within one year of date of transfer whichever comes first.
 - d) Exceptions to the repayment requirement should the employee fail to move may be made by reasonable exercise of the Business Leader's discretion (e.g., for reasons of significant unforeseen life hardships, Hydro One transfers, Hydro One international assignments, etc.).
- Transportation to the new location and living expenses while in transit to the new location will be paid for the employee and family (spouse and dependent children) and any other dependents of the employee's household. A reasonable number of visits by the employee and family, to the new location to assist in the selection of a new principal residence will be paid at the discretion of local Management.
- Living expenses of the employee and family during the period while household effects are in transit will be paid.

- Reasonable upkeep costs including mortgage interest on the old residence will be paid for a period of up to three months after the employee has moved to the new residence but still retains title to the old residence due to an inability to sell. If closure of the sale is imminent, the period may be extended by up to six weeks.
- Time off with pay to a maximum of one day's base earnings if the day of the move falls on a normally scheduled working day.
- Employees may elect, subject to the negotiations of their availability through Business Unit Mid-Term Agreements (Article 7), to receive lump sum payments in lieu of the following:
 - * temporary living expenses;
 - * reimbursement for costs associated with return to residence headquarters;
 - * benefits and expenses associated with house hunting trips;
 - * temporary storage, etc.

53.3.4 Spousal Assistance

An employee will be reimbursed for his or her spouse's job search expenses, supported by receipts, up to a maximum of \$750.00.

53.3.5 Rental Assistance

An employee who transfers to a higher cost rental area and who rents comparable rental accommodation will be provided with rental assistance by Hydro One as follows. The extent of this assistance will be the lesser of:

a) the monthly rent in the old location multiplied by Hydro One's rental differential;

or

b) the amount of the monthly increase in rent.

An employee who rents in the former location and purchases in the new location will be eligible for the equivalent of rental assistance as will the employee who conversely owns a home in the former location and rents in the new location.

Rental assistance will be provided for a five year period, based on 100% assistance in the first year and decreasing by 10% annually over the next four years.

This assistance will cease if the employee transfers to a new work location, terminates his/her employment with Hydro One, ceases to rent, retires or dies.

53.3.6 Rental Management Program

Upon request, Hydro One will arrange for a rental management firm to rent an employee's house when he/she is expected to return within five years and will pay the costs associated with this arrangement if it is in Hydro One's financial interests to do so.

53.3.7 Miscellaneous Expenses

Employees will be reimbursed for miscellaneous expenses associated with the move up to the limit of one month's salary based on normal scheduled hours of work. These expenditures are intended to cover items such as:

- cost of rental search assistance;
- costs incurred as a result of the move such as, cleaning, painting and decorating costs; adaptation, removal, installation or replacement of house furnishings and appliances;
- costs for connecting water, natural gas, and electricity to a new house if charged to the employee as purchaser.

Employees will not be reimbursed for capital expenditures which tend to increase the market value of a house, major house repairs or renovations.

53.4 Second Related Move

If a suitable residence is not available at time of transfer, an employee may rent temporary premises for up to one year. Under these circumstances, Hydro One will reimburse the employee for costs incurred in accordance with all Sections of this Agreement for either one of the two moves. For the other move, only costs of transportation, moving household effects, and legal fees incurred will be paid.

53.5 On Retirement

53.5.1 If Hydro One requires an employee who occupies a house or trailer on Hydro One property or a site under Hydro One control to move on retirement, the employee will be reimbursed as outlined in Section 53.3 for the cost of a move to any location in Ontario in which he or she desires to settle.

53.5.2 If an employee is requested to undertake a change in work headquarters involving a change in principal residence, and is age 55 or older on the date of transfer, consideration shall be given to the reimbursement of some or all of the moving expenses of that individual upon eventual retirement from Hydro One. The extent and terms of the assistance to be provided upon retirement will be determined at the time of transfer.

53.5.3 Only moving expenses within the Province of Ontario or to the nearest exit point from the Province will be eligible for consideration.

54 FINANCIAL ASSISTANCE PLAN

Hydro One shall contribute towards the interest costs on the increase in capital expenditure for an employee who is transferred to a higher cost housing area. Eligibility for this assistance will be determined by using:

- a) a house-for-house comparison conducted by Hydro One.

The amount of assistance will depend upon the:

- sale price of the residence in the former location;
- relative value of comparable housing in the new location;
- actual increase in housing costs (purchase price less sale price);
- current interest costs

The locality differential will be based on the differential in effect as of the date of closing of the purchase of the residence in the new location. The interest rate used to calculate the level of assistance will be based on Hydro One's employee housing loan rate for a five year term as published by the Treasury Division (or the actual mortgage rate, whichever is less) as of the date of closing of the purchase of the residence in the new location.

The financial assistance will decrease annually in twenty (20) percent increments over a five year period.

An employee receiving financial assistance must advise Hydro One if he/she sells or rents his/her house in the new location within five years of purchase. Assistance provided to the employee will be reviewed and revised accordingly.

Financial Assistance ceases upon termination or retirement. However, should an employee die while receiving financial assistance associated with relocation, such assistance may continue as per the original entitlement based on a case-by-case review by the Business Unit providing the following condition is met:

- the designated beneficiary provides affidavits on an annual basis that the principal residence for which the assistance is paid continues to be his/her principal residence and that no new revenues for renting any portion of the residence are being received.

55 HOUSE EVALUATION AND GUARANTEE PLAN

Upon subsequent transfer within Hydro One, an employee will be guaranteed his/her purchase price up to a maximum of four times his/her base salary at the time of the initial transfer (plus \$1500 for capital improvements on new homes, \$15,000 for resale homes or minus \$3,000 for damages to the property). This guarantee will be for a period of ten years from the date of purchase. Improvements must be verified by receipts and do not include normal painting, decorating and maintenance costs. An employee may not sell his/her house for less than the guaranteed amount without the consent of Hydro One.

56 COMPENSATION WHEN ASSIGNED TO TEMPORARY WORK HEADQUARTERS

56.1 Intent

- When there is an assignment to a Temporary Work Headquarters, the employee and his/her supervisor must have a mutual understanding of the terms of the assignment prior to its commencement using the following provisions.
- Employees assigned to a Temporary Work Headquarters should not be separated from their families for exceptionally long periods of time due to work requirements and should be compensated for all reasonable out-of-pocket expenses and travel costs.

- c) When an employee is assigned to a Temporary Work Headquarters, the employee will normally remain at the Temporary Work Headquarters. If there is mutual agreement between the supervisor and employee to commute daily, then the employee may do so.
- d) Employees will be reimbursed for all reasonable out-of-pocket expenses associated with being assigned to the Temporary Work Headquarters.
- e) Employees will be reimbursed for any additional travel costs beyond their normal travel costs to their Regular Work Headquarters.
- f) Travel time on the first trip to, and on the last trip from, the Temporary Work Headquarters shall be either during normal scheduled hours or compensated in accordance with Article 59 (Travel Time) if outside normal scheduled hours.
- g) Selections for Temporary Work Headquarters assignments should not be made on the basis of travel cost considerations.

56.2 Definitions

"Regular Work Headquarters": The location to which the employee normally reports in order to receive work assignments or to perform regular duties.

"Temporary Work Headquarters": The location to which an employee is directed in order to carry out assigned duties away from Regular Work Headquarters.

"Periodic Return": The return to the employee's principal residence once every two weeks.

56.3 Compensation When Remaining at Temporary Work Headquarters (TWHQ)

- a) When the employee resides at the TWHQ and does not commute, the employee shall be reimbursed for all reasonable out-of-pocket expenses incurred while at the TWHQ.
- b) An employee who resides at the TWHQ will be allowed a periodic return once every two weeks.

The employee shall be reimbursed for travel costs associated with the periodic return for the distance between his/her principal residence and his/her TWHQ, less normal travelling costs. Travel time associated with periodic return, outside normal scheduled hours and in excess of one hour each way, shall also be compensated. Compensation will be either in equivalent time off, or in pay, at straight time rates. Time spent in obtaining a meal will not be compensated.

- c) On intermediate weekends, if the cost of remaining at the TWHQ would be less than the cost of a return trip, the employee may claim actual travel costs up to the cost of remaining at the TWHQ. If the cost of remaining at the TWHQ is greater than the cost of a return trip, the employee may be reimbursed for all travel costs incurred for a return trip on that weekend.
- d) For employees who reside in rental or leased accommodation at the TWHQ, cost of travel on intermediate weekends will be based on the lesser of a per diem rate

based on the daily costs of normally used local hotel/motel accommodation (meals included) or actual travel costs (less normal travelling costs).

- e) Travel time will not be paid for return trips to home on intermediate weekends.

56.4 If the temporary assignment appears to cause the employee to reside separately from his/her family for a long duration, and for long distances, i.e., more than 100 kilometres, the supervisor may permit the employee to rent accommodation for his/her family near the TWHQ. In this situation, the employee will be reimbursed for all reasonable out-of-pocket costs, including the difference in rent paid out in the temporary location and any rent received from the principal residence.

56.5 Compensation for Daily Commuting To, and From, Temporary Work Headquarters

- a) When an employee and supervisor have mutually agreed that the employee may commute to the TWHQ on a daily basis, the employee shall be compensated for his/her travel time in accordance with the provisions of Article 59 ("Travel Time").

The use of a Hydro One vehicle will be one of the commuting options considered.

If a Hydro One vehicle is not used, the employee shall be compensated for his/her travel costs (i.e., public transportation costs or cents per kilometre, whichever, in the Supervisor's opinion, is the most reasonable considering the travel time and transportation expenses involved) in addition to his/her travel time.

The total amount of reimbursement for the employee's travel time and travel costs will be up to a maximum of the expenses that would have been incurred if the employee were to remain at the Temporary Work Headquarters (lodging and meals). In determining this maximum, consideration will also be given to the expenses that would have been incurred if the employee had used a Hydro One vehicle.

- b) When an employee commutes daily, he/she is required to be at the Temporary Work Headquarters at normal starting time and remain until normal quitting time.

Note: Where the planned duration of the assignment at a Temporary Work Headquarters is greater than one year, the employee will be eligible for full relocation assistance.

56.6 Exception

This Article does not apply to employees who on a daily or short-term basis may be required to work at a number of different work headquarters. In these cases, local management will determine the appropriate compensation treatment, but such compensation will not be less than that applicable to other employees under this Article.

PART XII -TIME WORKED OUTSIDE NORMAL HOURS

57 ON-CALL SERVICE

The following on-call service provisions shall apply.

57.1 Definition

On-call service is the requirement to be available outside normal work hours to meet unusual conditions, satisfy needs for assistance or direction, and return to work within a reasonable time, as specified by the supervisor. During the period of assignment, the staff member must be capable of responding. Normally, employees are not expected to be on call for a continuous, long-term period.

57.2 Payment

57.2.1 Compensation for on-call service is applicable in the following cases:

- a) there is a regular need for it (e.g. weekly, monthly, annually) and;
- b) the supervisor formally notifies the employee of the assignment.

57.2.2 The on-call service payment for any 16-hour period outside normal work hours is one half hour per day calculated at Step 9 MP4/TMS5.

57.2.3 The on-call service payment for any 24-hour period outside normal work hours (i.e., Saturday, Sundays, Statutory Holidays and granted days) is one hour per day calculated at Step 9 MP4/TMS5.

57.2.4 The on-call service payments specified above will apply only to the time periods as specified.

58 OVERTIME

The following provisions shall apply to employees when assigned to work overtime.

- 58.1 The method of compensation, for authorized overtime, may be money or time off at the appropriate premium rate. The employee or the supervisor may propose the method of payment, but it is the supervisor's responsibility to approve the method of payment most compatible with the unit's needs. Prior understanding between the supervisor and employee is desirable. ***If no request is made prior to the overtime being worked or if there is no agreement between the employee and the supervisor on the method of compensation, payment at the appropriate overtime rates will be automatic and paid. Lieu time for overtime accrued shall be limited in total to the number of hours equivalent to the employees normal work week. When an employee reaches these hours, he/she will be unable to request further lieu time for overtime worked until he/she has brought the hours below the set limit. The accrued lieu time will be taken at a time which is mutually-agreeable to both parties and can be carried over to the following calendar year. If a mutually agreeable time cannot be established by both parties, the employee will be required to cash out the lieu time banked on March 31st of the following calendar year.***

58.2 Day Workers

Overtime Worked	Overtime Hours	Rate of Payment
Monday to Friday	Authorized overtime beyond normal scheduled hours worked in the day	Time and one half (T-1/2)
Saturday	Authorized overtime	Time and one-half (T-1/2)
Sunday	Authorized overtime	Two times (2T)
Statutory Holiday	Authorized overtime	Monday to Friday: Two times (2T) for all unscheduled hours plus a Statutory Holiday credit. Saturday: Two times (2T) for all unscheduled hours worked.

58.3 Shift Workers

Overtime Worked	Overtime Hours	Rate of Payment
Scheduled Work Days	Authorized overtime beyond normal scheduled hours worked in the day.	Monday to Saturday: Time and one half (T-1/2) Sundays and Statutory Holidays: Two times (2T)
Scheduled Days Off	Authorized overtime on a normally scheduled day off.	Monday to Saturday: Time and one-half (T-1/2). Sunday: Two times (2T). Statutory Holidays (Monday to Friday): Two times (2T) plus a Statutory Holiday credit for hours worked up to normal hours for the day. Statutory Holiday (Saturday): Two times (2T).

58.4 For OSS and TMS staff required to work overtime and supervise staff receiving a higher overtime rate than that paid under Sections 58.2 and 58.3 above, the treatment shall be as follows: OSS and TMS staff receive two times their base hourly rate for all work, as described above, performed outside the first four clock hours after normal quitting time, Monday to Friday, and for all such work performed on Saturday.

58.5 In addition to employees covered under Subsection 58.4 employees who are directly involved in the operation, maintenance or construction of production, transmission or distribution facilities (exclusive of head office staff) and who directly supervise or work beside PWU employees will be compensated with the equivalent to PWU overtime premiums for all overtime worked, including the minimum payments received by PWU staff for both emergency and scheduled overtime. Employees work beside PWU employees if, as a regular part of their job, they are required to work with PWU staff on essentially the same job, under the same general conditions, and their presence at site for the overtime in question is necessary for task progress.

Employees may be designated as eligible under the above on an on-going basis or on an assignment by assignment basis at the discretion of Hydro One.

58.6 Recording Overtime

Management shall record assigned and paid overtime and will report the same to the Society every 6 months.

59 TRAVEL TIME

The following provisions shall apply to employees who are required to travel on business for Hydro One.

59.1 General

Some traveling time outside of normal hours of work to and from work locations, other than the regular work headquarters, is an inherent part of many jobs, for which no additional compensation is normally made.

59.2 Excessive Travel

- a) It is recognized that in some situations travel might be excessive. In these cases, the preference is for the supervisor and the employee to arrive at a mutual agreement as to what constitutes "excessive". This determination should be based on the following considerations:
- the amount of travel time that is required (hours per day, week and month)
 - the choice of travel options
 - the cost of travel choice/option
 - if the employee travels with PWU employees (i.e., internal relativity)
 - the time above and beyond the employee's normal travel time between home and normal work headquarters
 - the desire to compensate for travel time with time off

Where there is no mutual agreement, excessive travel time shall be defined as follows and compensated at straight time:

- the travel time in excess of one hour at the beginning and end of the normal scheduled day and greater than the employee's normal travel time; OR
- where the daily rate is not exceeded, the travel time in excess of five hours per week greater than the employee's normal travel time; OR
- where neither the daily nor weekly rate is exceeded, the travel time in excess of twenty (20) hours per month greater than the employee's normal travel time.

- b) When a special assignment calls for departure from the employee's home in the evening, or on a regular day off, time spent in travel will be compensated at straight time.

59.3 Emergency Overtime Work

Non-Prearranged Overtime Work: Travel time will be paid at the appropriate overtime rates for any work outside and in addition to normally scheduled hours for which there has been no pre-arrangement and an extra trip is required. Notification for prearranged overtime must be given at least 24 hours in advance of the start of such work.

59.4 Attendance at Seminars, Conventions, Etc.

- a) When an employee attends a convention, seminar, training course, or similar function and does not arrive at the destination or depart from it until after normal work hours, no additional time allowance will be paid, i.e., this travel time will be considered as part of the employee's contribution to attendance at a mutually benefiting function of this nature.
- b) Where Hydro One directs an employee to take a training course, travel time will be compensated in accordance with Article 59.2 .

59.5 Flexibility

Variations to the provisions of this Article made by agreement between the supervisor and the employee are permitted, subject to Director approval.

60 SHIFT WORK (M&P, TMS)

60.1 Definitions

Shift: All scheduled hours of a shift are considered to occur in the calendar day that the shift ends.

Scheduled Work: The hours of work assigned as per the shift schedule. Scheduled work cannot include overtime.

Positive/Negative Time Balances: Total hours accumulated in a time bank less the product of the normal scheduled hours of work for the position times the number of weeks since the time bank was previously balanced to zero. The result may be positive or negative.

60.2 Shift Workers

Consultation with the Society will occur prior to implementation of any future change to scheduled hours. Hours of Work will not be changed as a result of this Article.

Some jobs are shift work jobs e.g. Shift Operating Supervisors. Management reserves the right to put incumbents in these jobs on shift.

The job evaluation plan used to evaluate M&P jobs will be used as the vehicle to determine the relative worth of M&P shift positions within the shift family of jobs, and to

establish appropriate relativity between positions in this family and other non-shift M&P positions.

The requirement to obtain and maintain a license(s) to hold a shift position shall be identified in the job document (description and specification).

The number of personnel provided per shift position shall be such that no regularly scheduled overtime will be required. Due to the nature of Hydro One's operations, it may be necessary for employees on shift to work some overtime.

Management shall retain the right to place employees in shift positions for training and development purposes provided that the implications of possible classification changes on completion of the shift development phase are fully identified to the incumbent before the shift position is accepted.

Management shall provide an opportunity for input from employees prior to establishing shift schedules.

Management will use reasonable efforts to provide a minimum of seven (7) days' notice for shift workers when their hours of work, as shown on the regular schedule, are to be changed, except in the case of a forced unit outage or for reasons of equipment failure or safety. Management will use reasonable efforts in revising the regular schedule so as to provide the following minimum hours off between shifts:

- a) Shift change notices between 12-hour shifts will provide at least 12 hours off.
- b) Shift change notices from a 12-hour shift to an eight-hour shift will provide at least 12 hours off.
- c) Shift change notices from an eight-hour shift to a 12-hour shift will provide at least 15 hours off.
- d) Shift change notices between eight-hour shifts will provide at least 15 hours off.

60.3 Shift Allowances (M&P, TMS)

a) Shift Premiums

- Shift work on Saturdays and Sundays: 50% of 95% of MP4 Step 9 rate per hour worked.
- Shift work on statutory holidays: 95% of MP4 Step 9 rate per hour worked.

The Statutory Holiday shift premium shall be paid on an actual hourly-as-worked basis.

b) Shift Differentials

- For work on an 8-hour afternoon shift (1600 - 2400 hours) - **75¢** per hour worked
- For work on an 8-hour night shift (0000 - 0800 hours) - **\$1.00** per hour worked
- For work on a 12-hour night shift only - **\$1.15** per hour worked.

60.4 Information Technology Organizations (M&P)

In information technology organizations where the shift allowance payable to an M&P Shift Supervisor does not amount to at least 112% of the shift-related payments received by the PWU-represented staff working the same shifts, an annual adjustment will be made to the shift allowance for the M&P Shift Supervisor.

Until Hydro One is able to solve the relativity problem in information technology organizations, M&P shift supervisors shall receive an annual adjustment which would result in a 12% differential between their shift allowance and the shift-related payments received by the PWU-represented staff working the same shifts. Where a 12% differential exists, no annual adjustment will be made.

Employees in information technology organizations who either start or leave an M&P shift position during the year will receive a monthly pro-rated allowance. One-half month's tenure is necessary for receipt of the allowance for that month.

60.5 Ten Hour Shifts

Hydro One may assign employees covered by this Article to 10 hour shifts, without a vote, with the exception of employees subject to the Letter of Understanding re "Hours of Work for Field Management and Professional (FM&P) Staff" dated July 2, 1996.

The following conditions shall apply:

a) Notice

Management will use reasonable efforts in revising the regular schedule so as to provide the following minimum hours off between shifts:

- i) Shift change notices between 10-hour shifts will provide at least 12 hours off.
- ii) Shift change notices between a 10-hour shift to a 12-hour shift or vice versa, will provide at least 12 hours off.
- iii) Shift changes notices from a 10-hour shift to an 8 hour shift or vice versa will provide at least 15 hours off.

b) Shift Differential

- First shift - 0600 - 1800 hours - no shift differential
- Second shift - 1400 - 0200 hours - \$0.75 differential per hour worked

c) Shift Premium

- Shift work on Saturdays and Sundays - 50% of 95% of MP Step 9 rate per hour worked.
- Shift work on statutory holidays - 95% of MP4 Step 9 rate per hour worked.
- The statutory holiday shift premium shall be paid on an actual hourly-as-worked basis.

d) Special Circumstances

Collective Agreement provisions for time off shall apply except as modified for the following Special Circumstances;

On 10-hour day/shifts the following items will be credited for pay purposes on an hour-for-hour basis:

- i) Vacation
 - ii) Floating Holidays
 - iii) Sick Leave
 - iv) Leave of Absence/Unpaid Time Off
 - v) Travel Time
 - vi) Medical and Dental Consultation - Periods of less than four hours shall not be deducted from sick leave credits.
- a) In the application of the above-noted items (i) (ii) and (iii), a “days” entitlement will mean eight hours, i.e. a 10-hour day/shift will constitute one day and two hours deducted from credits.
 - b) When an employee is scheduled to work a 10-hour day/shift and one of the under-noted conditions occurs, a “day” will be considered to be 10 hours.
 - i) Jury duty and attendance at court
 - ii) Funerals
 - iii) Moving Day
 - iv) Time Charges for Attendance at Delegates’ Council and meetings of the Society’s Board of Directors.

60.6 Periodic Shifts for Non-Shift Workers

- 1) Periodic shifts for non-shift employees shall be allowed to mirror shifts created under PWU "periodic shift" agreements in force at the time of settlement, when the Society employee(s) provides direct supervision or technical support (including inspection/testing) alongside such PWU-represented employees for:
 - a) field settings
 - b) laboratory settings.
- 2) In the circumstances described in paragraph 1, above, an employee shall be assigned to periodic shifts for a maximum of 60 working days per fiscal year in the aggregate, under applicable shift provisions of the Collective Agreement including normal shift differentials and premiums. Where the PWU supply non-shift workers, the Society shall not unreasonably withhold its consent to supply consistent supervision for the duration of the project.
- 3) This Article does not alter existing local agreements in force at the time of settlement, including agreements reached pursuant to Article 71, and modifications of the provisions of paragraphs 1 and 2 are negotiable as local agreements pursuant to Article 7.
- 4) The parties may review the application and operation of this Article prior to the end of the Collective Agreement.

61 SHIFT WORK (FM&P)

61.1 Intent

- Assignment of FM&P staff to shift will normally be on a voluntary basis. However, in the absence of any qualified volunteers, Hydro One reserves the right to appoint specific individuals to perform the work.
- An employee who has volunteered may opt out of a shift arrangement by giving one month's written notice, subject to the above.
- Except in an emergency situation, at least seven days' notice will be given with respect to shift change notices.
- Hydro One will propose shift arrangements and seek the Society's input on proposed shift arrangements.
- A minimum period for a shift is four days.
- Hydro One reserves the right to terminate specific shift arrangements by giving one month's written notice.

61.2 Definitions (See Article 60)

61.3 Shift Differentials

Scheduled hours worked in shifts commencing during the following hours shall have the following shift differential apply:

- a) two- or three-shift coverage of eight hours or less:

07:00 – 10:00	Zero differential
10:00 – 18:00	An amount equal to one-seventh of FM&P 12 reference point rate per hour worked
18:00 – 07:00	An amount equal to one-fifth of FM&P 12 reference point rate per hour worked

- b) two-shift coverage of greater than eight hours:

06:00 – 10:00	Zero differential
10:00 – 06:00	An amount equal to one-fifth of FM&P 12 reference point rate per hour worked

61.4 Shift Premiums

Scheduled hours worked on Saturday and Sunday will be paid at an amount equal to the employee's base rate plus half of FM&P 12 Step 9 rate per hour worked.

For scheduled work performed on a statutory holiday, the amount paid equals the employee's base rate plus one times FM&P 12 Step 9 rate per hour worked. An additional day off will be scheduled in lieu of the statutory holiday.

61.5 Overtime

Authorized overtime beyond the normal scheduled shift hours shall be compensated in accordance with the overtime provisions of this Agreement.

61.6 Time Balancing

A time bank will be established for each employee to record the total number of scheduled hours worked plus scheduled hours paid for vacation, sick leave, time off in lieu or other approved paid time off. The time bank will be reduced to zero after the duration of the shift schedule.

For positive time balances the employee may elect:

- i) payment at time and a half for 50% of the hours and double time for the remainder;
- or
- ii) time off at straight time.

Negative time balances existing at the end of the shift schedule, or caused by interruption or cancellation, will be written off.

Overtime hours are not counted in the time bank.

61.7 Special Circumstances

In the application of the under-noted items a reference under the appropriate provision to "days" entitlement will mean eight hours. For example, a 12-hour shift will constitute one and one-half days deducted from credits. Items (e) and (f) will be credited, for pay purposes, on an hour-for-hour basis.

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Leave of Absence
- e) Travelling Time Outside Normal Working Hours
- f) Payment for Relief Work

When an employee is scheduled to work shift and one of the following items applies, a "day" will be considered to be one scheduled shift.

- a) Legal Hearings

- b) Funerals
- c) Moving Day

61.8 10 Hour Days/Shifts

On 10-hour days/shifts the following items will be credited for pay purposes on an hour-for-hour basis:

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Leave of Absence/Unpaid Time Off
- e) Travel Time
- f) Medical and Dental Consultations – Periods of less than four hours shall not be deducted from sick leave credits.

In the application of (a), (b) and (c) above, a “day’s” entitlement will mean eight hours i.e., a 10-hour day/shift will constitute one day and two hours deducted from credits.

When an employee is scheduled to work a 10-hour day/shift and one of the following conditions occurs, a “day” will be considered 10 hours:

- Jury duty and attendance at court
- Funerals
- Moving Day
- Time Charges for Attendance at Delegates’ Council and Meetings of the Society Board of Directors.

On a 10-hour day/shift, basic Statutory Holiday and special time off provisions remain unchanged i.e., time off and pay entitlements will continue to be calculated on an eight-hour basis. Employees will be given the opportunity to recover two hours when a Statutory Holiday falls on a scheduled 10-hour day/shift and the employee is not given the opportunity to work. Such hours shall be worked at straight time and shall be scheduled by mutual agreement between the employee and his/her supervisor.

On a 10-hour day/shift, authorized overtime beyond 10 hours work on scheduled workdays and all hours worked on scheduled days off shall be compensated in accordance with Article 58.

62 COMPENSATION AND WORKING CONDITIONS - 12-HOUR SHIFT SCHEDULE

The following provisions apply to employees who work a 12-hour shift schedule.

62.1 General Provisions

- 62.1.1 The 12-hour shift schedule will average the regular scheduled hours per week for employees and will indicate the days and hours of work (shift) for each

employee. Payment will be determined in accordance with this Article and as outlined elsewhere in Article 60 ("Shift Work - M&P, TMS").

62.1.2 The implementation of 12-hour shift work will be on the understanding that its application will not result in any appreciable increase in cost to Hydro One.

62.1.3 Hydro One or the Society shall have the right to terminate 12-hour shift work. Written notice must be provided by the Department Manager to the Society President or vice versa.

- a) If the notice is two months prior to the end of the current schedule, 12-hour shift work will terminate at the end of the current schedule. Reason(s) for termination will be provided by the respective party.
- b) The 12-hour shift schedule may be cancelled immediately by Hydro One should any of the following be adversely affected: safe operation of plant; health of shift workers; public safety.

Shift work monitoring criteria may include employee health, employee safety, employee attitude, attrition, overtime availability, insufficient notice for shift change, operating error, productivity, shift turnover and cost.

- c) When employees at any Department have exercised the right to opt out of time-balanced 12-hour shift work, no new 12-hour shift work may be introduced for those employees without the mutual agreement of local management and the local Society **representative**.

62.1.4 All policies and agreements which normally apply to employees will continue to apply unless specifically stated otherwise in this Article.

62.2 Shift Differential

A shift differential of \$1.15 per hour worked will be paid to 12-hour shift employees for each night shift hour worked, in accordance with Article 60.3 ("Shift Work (M&P, TMS)").

62.3 Shift Premium

Hourly shift allowances shall be paid to M&P and TMS shift workers, for hours worked as follows:

Shift work on Saturdays and Sundays	50% of 95% of the MP4 Step 9 rate per hour worked.
Shift work on Statutory Holidays	95% of the MP4 Step 9 rate per hour worked.

The Statutory Holiday shift premium shall be paid on an actual hourly-as-worked basis.

62.4 Overtime

62.4.1 Authorized overtime beyond 12 hours of work on scheduled workdays Monday to Saturday inclusive and all hours worked on scheduled days off Monday to

Saturday inclusive shall be compensated in accordance with the overtime provisions of this Agreement.

62.4.2 Authorized overtime beyond 12 hours of work on scheduled workdays which are Sundays or Statutory Holidays and all hours worked on scheduled days off which are Sundays or Statutory Holidays shall be compensated in accordance with the overtime provisions of this Agreement.

62.5 On-Call

On-call service payments will not be applied to those employees on the Minimum Availability Requirement (MAR) list (see Section 62.8).

62.6 Special Conditions

62.6.1 The following items will be credited for pay purposes on an hour-for-hour basis:

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Time Off Without Pay
- e) Travel Time
- f) Medical and Dental Consultations - Periods of less than four hours shall not be deducted from sick leave credits.

62.6.2 In the application of the above-noted items (a), (b) and (c), a reference under the current provisions of this Article to a "day's" entitlement will mean eight hours. Therefore a 12-hour shift will constitute one and one-half days deducted from credits.

62.6.3 When an employee is scheduled to work a 12-hour shift and one of the under-noted conditions occurs, a "day" will be considered to be 12 hours.

62.6.4 Jury duty and attendance at court.

62.6.5 Funerals.

62.6.6 Moving Day.

62.6.7 Time Charges for Attendance at Delegates' Council and meetings of the Society's Board of Directors.

62.7 The basic Statutory Holiday and special time off provisions remain unchanged in that time off and pay entitlements will continue to be calculated on an eight-hour basis.

62.8 Minimum Availability Requirement (MAR) List

- 62.8.1 In order that a sufficient number of shift employees are on duty to maintain and ensure a continuous operation at any Department utilizing 12-hour shifts, a MAR List will be prepared.
- 62.8.2 A sufficient number of employees, by job classification and qualifications, will be determined by Hydro One. Employees will volunteer their willingness to be called in to work in this situation, by placing their name on the MAR List under the day(s) they wish to be called. If there are no volunteers, Hydro One reserves the right to assign employees to the MAR List. Employees will not be placed on the MAR List who are scheduled to work on an adjoining shift.
- 62.8.3 An employee on the MAR List agrees to be available during the Required Availability Period (RAP), to report to work to cover short-term absence. The RAP is the period of time commencing two hours prior to each shift change and ending one hour after each shift change.
- 62.8.4 If an employee whose name is on the MAR List cannot be available for the specified day(s), the employee must arrange for a substitute acceptable to Hydro One, whose name then would be added to the MAR List.
- 62.8.5 Volunteering or being assigned to the MAR List for RAP periods does not entitle the person to any compensation, i.e., on-call pay, etc., nor does it guarantee that overtime will result.
- 62.8.6 In the event that an employee is called to work from the MAR List, he/she will be entitled to overtime premium rates (outlined in Section 62.4) for all hours worked.

62.9 Twelve-hour shift work may be introduced when the following conditions are met:

- 62.9.1 If local management determines that a 12-hour shift work arrangement is appropriate, a vote will be held in the affected work unit(s).
- 62.9.2 More than 50% of those eligible to vote in the work unit(s) must vote in favour of 12-hour shift work.
- 62.9.3 The vote will be determined by a secret ballot scrutinized by the appointees of Hydro One and the Society.

APPENDIX I**Master Schedule Guidelines**

- 1.0 All work groups must follow the same schedule.
- 2.0 An excessive number of 12-hour shifts cannot be worked in sequence. Three would be the maximum for nights; four would be the maximum for days.
- 3.0 At least 48 hours off will immediately follow each sequence of shifts. At least two regular days off will be schedule in each week.
- 4.0 Time balances should cycle between +36, with an additional +4 hours as an exception.
- 5.0 Other specific rules in the Article should also be noted.

Note:

1. Supernumerary shifts will be worked between the hours of 08:00 and 16:00. These shifts will be spread evenly throughout the year except for July and August. Supernumerary shifts will only be scheduled in July and August if required for outage schedules.
2. For hours actually worked by an individual the following implementation rules apply:
 - 2.1 Maximum of 3 night shifts in a row, except for MAR list needs.
 - 2.2 A minimum of 48 hours off per pay period, except for MAR list needs

63 SHIFT TURNOVER

- 63.1 A shift turnover allowance will be paid to employees who have been authorized to perform shift turnovers, based on the criteria in Sections 63.2 and 63.3 and in compliance with the chart below.
- 63.2 Only one person will be paid for each shift turnover, either the incoming or the outgoing shift, but not both.
- 63.3 Rights to overtime are waived in favour of the above allowance when performing normal shift turnovers. The exception to this is in cases where the turnover is 30 minutes or longer due to unusual circumstances. In such cases all time beyond normal working hours will be compensated according to the overtime provisions of this Agreement in place of the allowance.

- Payment Per Shift Turnover -

Salary Grade	
MP6	\$16.40
MP5	15.30
MP4	14.40
MP3	13.50
MP2	12.65
TMS 05	12.60
TMS 04	11.80
TMS 03	11.10
TMS 02	10.40
TMS 01	9.70

PART XIII- WORKING CONDITIONS

64 REDEPLOYMENT, SURPLUS STAFF PROCEDURE AND CHANGE OF EMPLOYER

64.1 Scope

This Article applies to the redeployment or transfer of employees within Hydro One and from Hydro One to a new employer to whom a portion of Hydro One's business is transferred.

This Article will apply to all employees except temporary employees, and takes precedence over other provisions of this Collective Agreement with regard to vacancies and job placements unless otherwise specified. Article 33 describes the entitlements for temporary employees. Employees on leave (e.g. LTD) or on foreign assignments will be neither advantaged nor disadvantaged upon return from the leave.

64.1.1 Preference for Regular Employees

Surplus regular employees will be retained in preference to temporary employees under the following conditions:

- within the same Unit of Application;
- where the regular employees are qualified to perform the work and are able to perform the job within a reasonable period of time given the length of the assignment;
- where the work is normally performed by Society-represented employees.

Therefore, when there are both regular and temporary employees within the same Unit of Application and a surplus arises, the surplus regular employees will be retained over the temporary employees, if the conditions above are satisfied.

In situations where there are surplus regular employees, they will be used in preference to temporary employees, if a temporary requirement arises and if the above conditions are satisfied.

64.1.2 Grievability/Arbitrability

Employees may use the grievance/arbitration procedure to appeal decisions of the joint teams referred to in this Article if they believe they have been treated unfairly. JRPT decisions and processes are grievable. It is expected that the parties will support their decisions and recommendations. This is not intended to prevent the parties from jointly agreeing to change their decisions and recommendations. The recommendations and decisions by other Joint Redeployment Planning Teams and other Joint Reasonable Offer Teams are without prejudice and cannot be used as precedents in grievance arbitration. Any agreements reached by the parties within the scope of Article 64 are neither grievable nor arbitral.

64.2 Preamble and Principles of Operation

It is intended that the parties will make their best efforts to interpret, apply and administer the provisions of this Article to reflect a balance among the principles set out below and throughout this Article.

The parties are committed to sustaining a work climate that supports a high level of employee commitment, performance and job satisfaction. The following principles reflect our underlying values and beliefs and provide the direction on which this Article is founded:

- 64.2.1 Career change should be expected and viewed positively.
- 64.2.2 Individuals are responsible for their own career decisions and should be involved in developing options affecting their careers.
- 64.2.3 Hydro One and The Society recognize the value of retaining, utilizing and enhancing the asset of employee skills and abilities.
- 64.2.4 Redeployment issues will be discussed openly and employees and their representatives should be involved in these discussions as early as possible.
- 64.2.5 Employees will be provided with access to opportunities for learning and development and will take a proactive role in their development to prepare for the future.
- 64.2.6 It is in the best interests of both our customers and our employees for Hydro One to be a viable and healthy business entity.
- 64.2.7 Redeployment policies must reflect a balance between the fundamental interests of Hydro One and its employees.
- 64.2.8 Employees will be treated fairly and with respect and dignity.
- 64.2.9 Hydro One and The Society recognize that there will be competing individual interests and will structure redeployment strategies which will minimize the occurrence of that competition and its negative impact.
- 64.2.10 A commitment to short and long range planning is critical for the effective and efficient utilization and deployment of employee skills.

64.3 Definitions

- 64.3.1 “ADVERSE IMPACT” shall mean that, as a result of a Hydro One business decision, an employee does not have an ongoing position for which he/she is qualified or for whom the only available ongoing position for which he/she is qualified represents a demotion and for which he/she has not voluntarily applied.
- 64.3.2 “ALLOCATION” shall mean the lateral placement of an employee into an ongoing position where the exercise of employee choice is not required on the basis of the rules set out in Subsection 64.7 and there is no adverse impact.

- 64.3.3 "BASIC PAYMENT IN LIEU OF NOTICE" shall mean 24 weeks.
- 64.3.4 "CHANGE OF EMPLOYER" shall mean any sale, lease, transfer or any other transaction between Hydro One and any other entity, by virtue of which the ownership or control over any part of the company's business or assets becomes held by such other entity and some or all of the Company's employees become employees of a new employer as part of the commercial transaction.
- 64.3.5 "CONSENSUS" shall mean an agreement on a given issue that all parties to the agreement can live with and publicly support.
- 64.3.6 "DECLARED SURPLUS" shall mean that the employee has insufficient seniority and/or qualifications to be matched to an ongoing position that is deemed to be a reasonable offer in his/her unit of application.
- 64.3.7 "INCUMBENCY" is a concept that will be used as a part of a redeployment process. An employee may be identified as an incumbent only if the position meets the following criteria:
- the majority of the core functions/key accountabilities are the same⁷;
 - unchanged location;
 - unchanged hours of work;
 - unchanged salary grade or where the salary grade increases as a result of the prospective addition of duties/accountabilities pursuant to Clause 66.3.1.c.
- 64.3.8 "LATERAL POSITION" shall mean a job paid from:
- a) the same salary schedule and is the same salary grade as the employee's current grade;
 - or
 - b) a different salary schedule in which the salary level is equivalent to the employee's current job measured by salary grade Reference Points (100%).
- 64.3.9 "LATERAL PLACEMENT" shall mean the placement of an employee into an ongoing lateral position or into an ongoing position that is upgraded pursuant to Clause 66.3.1.c.
- 64.3.10 "MAPPING" shall mean the lateral placement of an employee into an ongoing position where the exercise of employee choice is required on the basis of the rules set out in 64.7 and there is no adverse impact.
- 64.3.11 "ONGOING POSITION" shall mean an assignment other than a relief of rotational assignment. An employee's ongoing position determines his/her base jurisdiction for the purposes of employment continuity and other entitlements (see Article 5).
- 64.3.12 "PRIORITY CONSIDERATION" shall mean an obligation to select the most suitable candidate from amongst the qualified surplus applicants for advertised vacancies for whom the vacancy represents a lateral or lower-rated position. If there are no qualified surplus applicants Management is then obliged to select

⁷ The operational meaning as determined by the JRPT in adverse impact situations.

the most suitable candidate from amongst those surplus applicants who can become qualified in a reasonable period of time. "Priority consideration" is provided to surplus employees.

- 64.3.13 "PROMOTION" shall mean a position in which the demands and responsibilities are greater than in the employee's current job and the position is a minimum of one salary grade higher than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade higher if rated on a different salary schedule.
- 64.3.14 "QUALIFIED" shall mean having the qualifications and experience required to perform the job within a reasonable period of time, normally not expected to exceed six months.
- 64.3.15 "REDEPLOYMENT" shall mean the staffing of new or changed organizations in accordance with the provisions of this Article.
- 64.3.16 "SENIORITY" shall mean all prior service with Ontario Hydro *and* Hydro One or other eligible seniority as per the transition provisions in Section 9.3 regardless of breaks in employment, employee category and/or bargaining unit/representational status. Regular employees who currently work reduced hours or have done so in the past, will have such service calculated as if it were full-time. In the event that a contractor is determined to be dependent, service shall be counted from the date of a declaration of dependent contractor application to the OLRB or the date of joint agreement between Hydro One and The Society regarding contractor status.
- 64.3.17 "SERVICE" for the purpose of calculating severance shall mean the employee's Established Commencement Date (ECD) and does not include any external experience credits. Employees who have received severance pay under this Article shall not be entitled to the service used to calculate previous severance pay in any future employment with Hydro One.
- 64.3.18 "SERVICE BASED PAYMENT IN LIEU OF NOTICE" shall be based on the surplus employee's Service Recognition Date (SRD) plus External Experience Value (EEV).
- 64.3.19 "SUBSIDIARY COMPANY" shall mean a Hydro One subsidiary or holding company.
- 64.3.20 "VACANCY TRANSITION PHASE" (VTP) shall mean a period not to exceed six weeks following the conclusion of a mix and match during which vacancies are unfrozen and surplus employees who elect to remain for this phase have the right to priority consideration for vacancies in accordance with Subsection 65.6.3.

64.4 Notification and Involvement of The Society

64.4.1 Principle of Prior Involvement

Prior to making final decisions on significant organizational or operational changes that have an adverse impact on the employment continuity of Society-represented employees, Hydro One will establish a team in a timely manner

which will include representatives appointed by The Society. The team will examine how the organizational or operational change will be implemented and will strive to develop mutually acceptable recommendations in a timely manner for the appropriate level of Management based on this examination.

64.4.2 Involvement

The Society will be involved in all decisions respecting how Society represented employees are treated with respect to this Article.

There are two levels of involvement in this Article. They are as follows:

a) Joint Consultation

Hydro One and The Society will discuss the issue and attempt to reach a jointly acceptable course of action.

Failing an agreement, Hydro One will make the final decision.

b) Joint Recommendation

Hydro One and The Society will attempt to reach consensus on an issue that will form the basis of a recommendation to senior management.

In the event a JRPT does not reach consensus on the appropriate Unit of Application, the default Unit of Application defined pursuant to Subsection 64.10.1 will be used. Other outstanding issues will be submitted by either party to a standing arbitrator.

64.5 Application

64.5.1 This Article applies to all situations where:

- There is a change of employer for employees; and/or
- The employment continuity of employees is adversely impacted; and/or
- Positions with incumbents are transferred within/between subsidiary companies, relocated or significantly changed (e.g., a change to job duties and/or skills/qualifications and/or rate as covered in the job document) but where no adverse impact results ***with the following exception: where positions with incumbents are transferred to a different organizational unit and/or line of business and there are no changes in: a) location (i.e. regular work headquarters); or b) job document and/or job ratings; or c) hours of work.***

These impacts may arise due to organizational and operational changes that include technological changes, workload changes, business process re-engineering and other circumstances.

64.5.2 Where there is no adverse impact, the provisions of 64.7 shall apply.

64.5.3 Where there is adverse impact, the provisions of 64.8 to 64.15 inclusive shall apply.

- 64.5.4 Where there is a change of employer, the provisions of 64.6 shall apply.
- 64.5.5 Hydro One shall consult with the Society regarding the applicable redeployment process (i.e., whether to use the “adverse impact” or the “no adverse impact” track) prior to redeploying employees.
- 64.5.6 Exceptions to mandated “freezes” on filling vacancies in the “change of employer”(Subsection 64.6.6) and “mapping” (Clause 64.7.6.2) processes may be permitted where the parties mutually agree.

Change of Employer

64.6 Change of Employer

- 64.6.1 This Section shall apply where there is a change of employer for some or all employees.
- 64.6.2 Hydro One recognizes the importance of securing for employees opportunity for continuing employment with the new employer and will endeavour to secure such opportunity for employees with the new employer.
- 64.6.3 In addition to Article 11, at the earliest possible time prior to the transaction, Hydro One further agrees that it shall provide in writing to the Society all available information relating to the new employer that is relevant to employees to the extent that circumstances reasonably permit. The Society agrees that confidentiality will be maintained.
- 64.6.4 Until such time as staff positions and numbers to be transferred to the new employer are provided to the Society, employees may apply to vacancies in accordance with the Collective Agreement. All applications from employees (“affected employees”) in the affected businesses or assets for laterals and demotions will be processed and considered unless the move would seriously jeopardize the viability of the work unit.
- 64.6.5 Hydro One will provide the Society with a listing of the potentially affected employees, positions and numbers to be transferred to the new employer as soon as possible. This listing will specifically identify any employees who are from an acquired municipal electrical utility (MEU) and who have been provided with a period of employment protection under the Hydro One Acquisitions Letter of Understanding (LOU#7).
- 64.6.6 Commencing on the date that Hydro One provides the information described in Subsection 64.6.5, displacements into and selections into or out of the affected businesses or assets shall cease.
- 64.6.7 Where the number of affected employees exceeds the new employer’s needs or where there is adverse impact, the following shall apply:
 - 64.6.7.1 Article 64.8 shall apply to affected employees.

- 64.6.7.2 Where there continues to be adverse impact, affected employees will be placed through an expedited mix and match process in accordance with Sections 64.9 to 64.10.3. Where there is no adverse impact, the provisions of Subsection 64.6.8 shall apply. Affected employees who are placed in positions with the new employer through the mix and match process will transfer to the new employer.
- 64.6.7.3 Affected employees who are not placed pursuant to Clause 64.6.7.2 will be redeployed in Hydro One in accordance with the applicable provisions of this Article (i.e., either the “no adverse impact” or the “adverse impact” tracks).
- 64.6.7.4 Where the number of affected employees does not exceed the needs of the new employer or where there is no adverse impact for these employees, affected employees will be redeployed into positions with the new employer in accordance with Section 64.7.
- 64.6.7.5 Except for employees who terminate pursuant to Section 64.8, employees who refuse to accept a placement with the new employer in accordance with the applicable process (i.e., Subsection 64.7.5 for employees who are allocated, Clause 64.7.6.9 for employees who are mapped, and Sub-clause 64.10.3.v.9 for employees who are mixed and matched by a JRPT) shall be deemed to have voluntarily terminated Hydro One without severance.
- 64.6.7.6 Where as a result of the transfer of employees to a new employer an adverse impact arises for employees remaining at Hydro One, the latter shall be redeployed in accordance with the “adverse impact” provisions of this Article.
- 64.6.7.7 The Society agrees that no grievances under the Ontario Labour Relations Act or any other applicable legislation will be undertaken as a result of the implementation of this Section other than to enforce its terms.

No Adverse Impact

64.7 Allocation/Mapping

- 64.7.1 Where Hydro One redeploys employees and there is no adverse impact, employees shall be either allocated or mapped in accordance with the rules set out in this Subsection.
- 64.7.2 Hydro One shall consult with the Society prior to determining whether employees shall be allocated or mapped. Process decisions shall be communicated to the affected employees as soon as possible.
- 64.7.3 Employees shall be allocated where a whole work group/single classification is being transferred to a different organization and/or location and none of the conditions listed in Subsection 64.7.4 apply.

- 64.7.4 The conditions under which employees shall be mapped include any one of the following:
- A work unit or function is split within or between subsidiary companies; and/or
 - Relocations are required involving positions with the same classification with more than one regular work headquarters; and/or
 - Where there are a different number of incumbents than positions for which incumbency rights can be exercised; and/or
 - Multiple qualified candidates for a lateral placement.
- 64.7.5 Where employees are to be allocated, the following rules shall apply:
- All employees shall be allocated;
 - Employees shall “follow their work”;
 - The placement of employees shall be reasonable within the meaning of Subsection 64.11.3. Employees who refuse to accept their placement offer shall be deemed to have voluntarily terminated employment with Hydro One without severance.
- 64.7.6 Where employees are to be mapped, the following rules shall apply:
- 64.7.6.1 The redeployment of employees shall take no longer than four (4) weeks from the date when Hydro One finalizes its organization.
- 64.7.6.2 During the mapping period all vacancies within the affected Division shall be frozen except pursuant to Clauses 64.7.6.6 or 64.7.6.10. Division shall mean the Divisional Default Unit of Application as defined pursuant to Subsection 64.10.1.
- 64.7.6.3 All employees shall be mapped.
- 64.7.6.4 Wherever possible, employees shall “follow their work”.
- 64.7.6.5 Employees may be promoted in the mapping process pursuant to Clause 66.3.1.c or where there are essentially no lateral placement opportunities or where the employee has been previously demoted through the application of Article 64 and no displacement of another employee will result.
- 64.7.6.6 Positions that do not have an incumbent or for which there are no qualified candidates for lateral placement within the affected organization will be filled through the advertised vacancy process pursuant to Section 65.6. The posting period shall be one week. Selections to these positions will be made before finalizing mapping decisions.
- 64.7.6.7 Under any of the conditions listed in Subsection 64.7.4 or otherwise where it is determined that employees shall be given the opportunity to express their preferences, subject to unit viability, “senior choice,

junior force” shall apply. Employees shall have five (5) working days to submit their preferences.

- 64.7.6.8 If an employee is not an incumbent or following his/her work, he/she may request in writing a review of where he/she has been “draft mapped”. The Society and management will expeditiously jointly review this request and may make mapping amendments as necessary.
- 64.7.6.9 Placement offers shall be reasonable within the meaning of Subsection 64.11.3. Employees who refuse to accept a placement where he/she is the incumbent or where the assignment is reasonable may be deemed to have voluntarily terminated employment with Hydro One without severance.
- 64.7.6.10 Positions unfilled at the conclusion of the mapping process shall be advertised in accordance with Article 65.

Adverse Impact

64.8 Voluntary Surplus

In circumstances where Management is aware that job loss may occur, subject to work unit viability Hydro One will allow for voluntary termination by an employee in the affected work group. In such cases, employees who terminate their employment, will be entitled to 100% of their own basic and service-based payment in lieu of notice and severance entitlements, plus an additional week of severance for each completed year of service, to a maximum additional payment of 26 weeks' pay. The combined total of the employee severance entitlement, plus the additional week under this Section cannot exceed 78 weeks. The combined total of the payment in lieu of notice and severance entitlement cannot exceed 138 weeks. With the agreement of the Society, Hydro One may offer voluntary separation incentives such as focused pension incentives, retirement bridges etc.

Subject to any Canada Revenue Agency (CRA) rules and regulations, an employee may:

- Transfer a portion of any monies received into a RRSP; and/or
- Elect to receive his/her payment in one (1) lump sum or two (2) equal instalments over 2 consecutive calendar years. Where the employee elects two (2) instalments, Hydro One will make the 2nd payment within the first half of the 2nd year.

64.9 Set Up Joint Redeployment and Planning Team

Hydro One shall decide the organizational structure required to carry out approved work programs.

Hydro One and The Society will appoint an equal number of representatives to the Joint Redeployment and Planning Team (JRPT). This team will develop a redeployment plan which minimizes to the extent possible the effect on and number of employees to be declared surplus, consistent with the need to carry out Hydro One's work and will be responsible for overseeing its implementation. The team is also responsible for

communications to affected staff. The Joint Redeployment and Planning Team will develop its recommendations/decisions by consensus using problem solving techniques.

Senior Management (e.g., Directors, General Managers) shall meet to discuss with the Joint Redeployment and Planning Team the number and type of positions that will no longer be required.

64.10 Joint Planning - Responsibilities of the JRPT

- a) The Joint Redeployment and Planning Team will prepare a report including decisions with respect to:
 - (i) The Unit of Application for identification of surplus staff;
 - (ii) The name of the standing arbitrator and outline of arbitration process;
 - (iii) The process and strategies used for redeploying staff within the Unit of Application;
 - (iv) The preparation of seniority lists and identification of surplus staff;
 - (v) Identification of separation incentives for the purpose of minimizing involuntary terminations.
 - (vi) The timetable of events, including specified deadlines, to ensure that the process is completed within the contractual timeframe.
- b) Respond to questions and grievances related to its process and decisions.
- c) Ensure that purchased services contracts are reviewed by Hydro One throughout the redeployment process.
- d) Appoint JROT members.

64.10.1 Unit of Application

64.10.1.1 Definitions

Unit of Application shall mean the organizational unit (e.g., Department, Division, Business Unit, Subsidiary or a cross Hydro One grouping) in which seniority and the identification of surplus staff shall be administered.

Business Unit shall mean the organizational unit under a subsidiary President/CEO.

Division shall mean an organizational unit under a direct report to a subsidiary President/CEO.

64.10.1.2 Size of the Unit of Application

In determining the size of the unit for purposes of identifying who is surplus, the parties will be governed by the following:

- The size of the unit will be sufficiently large to provide a fair means for identifying the surplus employee(s).

- The size of the unit will be sufficiently small to minimize the disruption to both the employee and the work to be done.

A joint recommendation will be made in determining the size of the unit of application.

64.10.1.3 Default Unit of Application

Should the parties not agree to the size of the unit of application for the identification of surplus, then the unit size will be the Business Unit with this exception:

Where fewer than 10% of Society-represented employees in a Business Unit, and fewer than 20% of The Society-represented employees in the Division are adversely affected, then the default Unit of Application will be the Division.

64.10.1.4 Unit of Application Beyond the Business Unit

A JRPT may jointly recommend to a Vice-President or General Manager (or equivalent) that the Unit of Application should be expanded beyond the Business Unit in a surplus situation. If the recommendation is approved, the recommendation will be jointly discussed with the Business Unit(s) into which expansion of the Unit of Application has been recommended. If no jointly agreeable solution is achieved at this stage, the recommendation may be brought by either party to the Society-Hydro One Issues Team ("Issues Team") for consideration and resolution. In appropriate circumstances (e.g., Corporate Functions, Multiple Business Unit JRPTs), matters may be directly referred to the Issues Team.

64.10.1.5 With respect to the Hydro One organization effective **April 1, 2013**, the default Units of Application shall be defined pursuant to the chart found at Appendix VII.

64.10.1.6 Where organizations have been split and adverse impact subsequently arises in any receiving unit with respect to the functions of these organizations, the default Unit of Application shall consist of the functions from the old organizational unit and new organizational units if applicable.

64.10.1.7 Employees covered by the FM&P Letter of Understanding dated July 2, 1996 will have a Unit of Application that consists of Hydro One.

64.10.1.8 All employees will normally be assigned to one and only one unit of application.

64.10.1.9 Where Hydro One establishes organizational units which do not clearly fit the definitions contained in the unit of application default provisions, the matter of the appropriate unit of application will be reviewed by the Issues Team. The Issues Team will make a decision which ensures that surplus rights are fairly applied.

64.10.1.10 In the event of a change during the term of the Agreement that cannot be resolved by the parties, the following dispute resolution will be used:

- a) The parties shall exchange written briefs within 10 working days of reaching impasse on the matter.
- b) A mutually agreed arbitrator shall decide the matter within 10 working days after the briefs have been exchanged. The arbitrator has all the powers under the applicable Labour Relations Act.
- c) The arbitrator shall hear the matter in the most expeditious manner possible, and shall only hear oral evidence where he or she determines that it cannot be determined on the basis of the written briefs and oral submissions.
- d) The arbitrator shall issue an award within 5 working days of the hearing, setting out the default unit of application.
- e) The JRPT shall continue to function and develop other elements of its report pending determination of the default unit of application through this process, and the outcome of this process does not preclude the JRPT from achieving consensus on a unit of application notwithstanding the arbitrator's award.
- f) This process does not prejudice or waive any grievance rights under this Article, but the arbitrator's award on the default unit of application cannot be grieved.

64.10.2 Process for Staff Changes - Mix and Match

The Joint Redeployment and Planning Team will develop the mix and match procedures to fill positions in the new organizational structure from employees within the Unit of Application. The intent is to sort employees within the Unit of Application among the jobs in the new organization on the basis of qualifications and seniority. In the event there are no qualified employees from the Unit of Application, the positions will be advertised in accordance with Article 65.

JRPTs are expected to keep accurate records of the reasons for deeming employees not qualified. Upon request, the employee will be provided with the written reasons for being deemed not qualified.

64.10.2.1 Mix and Match Rules

- 1) No promotions except as specified, i.e., only laterals or demotions are permitted in a mix and match process. (Note: Exceptions are described in 64.10.2.1 (11) and 64.10.4 and includes prospective reclassifications pursuant to Clause 66.3.1.c).
- 2) Applies within the affected Unit of Application except as specified at Rule 13.

- 3) The process must be open and participatory and involve individual employees in planning and an agreed-upon form of posting within the Unit of Application.
- 4) In the event there are more qualified candidates than positions available in the new organization, then the most senior of the qualified candidates will be selected to fill the positions.
- 5) If a job offer is found to be unreasonable by the Joint Reasonable Offer Team, then the JROT will re-examine the match. If no reasonable job is available, then the employee will be declared surplus with full entitlements.
- 6) Employees who accept a lower-rated position or who experience a reduction in hours of work as a direct result of Mix and Match will be entitled to the provisions of 64.12 "Compensation".
- 7) Pregnancy Leave and Paid Parental Leave
The employee should be treated as though he/she is at work.
- 8) Other Leaves/Absences
The employee will under normal circumstances participate in the Mix and Match process.
- 9) Out-of-Province Assignments
Refer to 6.4 "Employment Continuity during Temporary Out-of-Province Assignments".
- 10) Temporary Assignments/Rotations
Employees will exercise the redeployment rights applicable to their ongoing positions.
- 11) Employees Previously Demoted via Article 64
An employee previously demoted through the application of Article 64 is eligible for consideration at up to his/her previous higher level during a subsequent Mix and Match subject to the following:
 - The subsequent Mix and Match (i.e., upon approval of the first report) must occur within two years of the date that the employee reported to the lower-rated position.
 - Displacement of another employee at a level higher than their current level is not permitted.

- 12) Promotion-in-Place Programs (PIPs)
- a) Employees in a PIP will be retained in their PIP (should it continue to exist) based on seniority, subject to item (d) below.
 - b) Employees in non-PIP positions or in other PIPs will be considered for PIP positions subject to the following:
 - i) for lateral or lower-rated levels of the PIP only;
 - ii) must be minimally qualified at the entry level of the PIP;
 - iii) able to achieve the terminal level of the PIP;
 - iv) placement is based on seniority.
 - c) Employees in a PIP position will be considered for non-PIP positions for which they are qualified, subject to the following:
 - i) considered for lateral or lower-rated positions;
 - ii) placement is based on seniority.
 - d) Hydro One may determine a minimum number of employees qualified at the terminal level of the PIP at an appropriate work unit level (e.g., Division, Department, Section).
- 13) Any employee may be matched to a vacancy for which he/she is qualified outside of the Unit of Application based on other Mix and Match rules provided that no displacement of another employee results.

64.10.2.2 Available Options if Employee Refuses a Job Offer

An employee who rejects an offer that is upheld by the Joint Reasonable Offer Team (refer to 64.11.3) as reasonable must, within 48 hours of being advised of the decision, choose between options (a) or (b) as follows:

- a) Accept job offer; or
- b) Confirm refusal and terminate with 75% of lump sum payments pursuant to Clause 64.13.2.2.

Exception: Employees who have been demoted as a result of the direct application of Article 64 and who, in a subsequent mix and match, face a demotion again due to the direct application of Article 64 will be allowed to choose between accepting the demotion or

being declared surplus with full entitlements. They will not be required to submit to the JROT process.

64.10.2.3 Refusal of an Incumbent Position

Where an employee has been declared to be an incumbent to a position by the JRPT, he/she will not be entitled to file a challenge with the JROT in relation to the incumbent position. If the employee does not accept a match to his/her incumbent position, he/she may be deemed by Management to have voluntarily terminated his/her employment with Hydro One.

64.10.3 Sequence of Events

The following process shall apply in situations where an adverse impact arises:

- (i) Where the number of employees exceeds Hydro One's needs, Section 64.8 will apply.
- (ii) The filling of Society-represented vacancies pursuant to Subsection 65.6 shall be frozen across Hydro One during the mix and match period. These vacancies will be unfrozen when the mix and match is concluded and surplus employees (if any) are identified.
- (iii) The mix and match process will take no longer than 4 weeks. Prior to the beginning of the 4 week period, Management will provide the JRPT with the following information:
 - Details on the new organizational structure at a detail level that will indicate the classification, location, number of positions in the new organization;
 - A seniority list by pay grade and occupation code;
 - Identification in writing of the qualifications and selection criteria for positions without incumbents, for the affected work group.
- (iv) A standing arbitrator will be appointed at the beginning of each mix and match.
- (v) The mix and match process will involve the following steps with viability check after each step:
 1. Incumbent matching
 2. Matching to lateral vacancies in the same location (Volunteer/Force)
 3. Volunteering for location change and/or a demotion.

(Note: Steps 1, 2 and 3 require organizational charts only within the work group. Steps 1-3 only apply to the new/changed organization).

 4. Matching to lateral vacancies in another location in Hydro One (Volunteer/Force).
 5. Displacement on the basis of seniority and qualifications to the most junior lateral first in the Unit of Application

6. Matching to demotion vacancies descending within salary grades in Hydro One (Volunteer/Force)
7. Displacement on the basis of seniority and qualifications to the most junior demotion (descending within salary grades) in the Unit of Application.

(Note: Steps 4, 5, 6 & 7 do not require organizational charts).

8. If unable to be placed through any of above steps, the employee will be declared surplus.
9. Subject to subsections 64.11.3 and 64.10.2, employees who refuse a placement in the above process will be considered to have resigned from their employment.

64.10.4 Identification of Surplus Employees

The Joint Redeployment and Planning Team will compare the seniority of employees performing work that requires substantially the same qualifications and experience. In addition the team will compare the qualifications and experience of displaced employees with the qualifications and experience required by lateral or lower rated positions in the Unit of Application and retain the most senior at that level in descending order. Through this process the Joint Redeployment and Planning Team shall decide by consensus which employees within the Unit of Application have greater seniority and shall be retained to fill the ongoing positions and which employees have least seniority and shall be declared surplus subject to (a) and (b) below.

Seniority rights apply to lateral and lower rated positions but are not applicable to higher rated positions except for prospective reclassifications pursuant to Clause 66.3.1.c. The exception to this can occur where there are essentially no lateral or demotional positions with respect to which an employee can exercise his/her Employment Continuity rights and where the JRPT believes there are reasonable opportunities for promotion. The JRPT will identify the individual employee(s) or categories of employees facing these circumstances and the positions or categories of positions that represent promotional opportunities.

Employees who are not supervisors shall not exercise their seniority and displace supervisory employees with respect to supervisory positions unless they have supervisory qualifications. Employees who are not First Line Managers (FLM) shall not exercise their seniority and displace FLM employees with respect to FLM positions unless they have FLM qualifications.

Employees in positions covered by Article 25 (“trainees”) will not normally have their seniority considered with employees from Salary Schedules 01 or 02. The Joint Redeployment and Planning Team may decide on exceptions when trainees have achieved at least Step 2 and have greater seniority than entry level employees on Salary Schedules 01 or 02 or where Article 25 is being used as a salary bridge for employees selected to Salary Schedules 01 or 02 positions.

For the purposes of Subsection 65.6.3 where the Joint Redeployment and Planning Team has agreed to make exceptions based on the above circumstances, such trainees will have priority consideration in the same

manner as other Salary Schedule 01 or 02 surplus employees. Where the Joint Redeployment and Planning Team does not accept that the circumstances warrant exceptions, surplus trainees will have priority consideration for MP2 and equivalent or lower rated vacancies following consideration of the surplus regular employees from within the bargaining unit and before the applications of all other employees.

Employees from outside of the bargaining unit shall not displace Society-represented employees.

In the event that the team is unable to reach consensus on the identification of surplus employees, Hydro One will determine who is declared surplus in accordance with the provisions of Subsection 64.10.4.

a) Viability of the Work Unit

If the ability of the organizational unit to adequately perform its functions is placed in jeopardy by the application of seniority, the Joint Redeployment and Planning Team may decide to protect sufficient lesser service employees to restore the viability of the organizational unit. If the team is unable to reach consensus, then Senior Management (e.g., Directors, General Managers) will decide. In situations where junior staff are protected by the implementation of this Subsection, and where the Unit of Application is smaller than a Business Unit, greater service employees who cannot be placed as a result of such protection shall have the right to have their seniority applied across the Business Unit.

b) Employment Equity

If employment equity programs will be seriously set back, the Joint Redeployment and Planning Team may by consensus agree to protect sufficient lesser service employees in order to prevent such a set back from happening and extend the same provisions as set out in (a) above. This provision is not intended to further or enhance employment equity initiatives. Where the team has not reached consensus on the need to protect lesser service employees because of employment equity concerns, then the normal rules for identifying surplus employees on the basis of seniority will apply as outlined above in Subsection 64.10.4.

64.10.5 Declared Surplus

Employees declared surplus will receive written notice. The written notice shall contain:

- The cause of the surplus.
- A reference to this Article.
- The expected expiration date of the “vacancy transition phase”.
- The right to Hydro One wide priority consideration for vacancies in accordance with Subsection 65.6.3 if the employee elects to remain for the

“vacancy transition phase” or elects to receive his/her severance payment in weekly instalments to a maximum of one year.

- An election form that the employee is required to fill out and return within three (3) working days indicating whether or not he/she wishes to remain for the “vacancy transition phase” or to terminate immediately.
- The total monetary value of the payment in lieu of notice and severance entitlements.
- The anticipated date the employee will vacate his/her position.

64.10.5.1 Voluntary Surplus

An employee from the affected unit of application who would not otherwise be surplus may volunteer to be declared surplus, subject to the following:

- a) The withdrawal of surplus status will be offered in seniority order to those surplus employees who are qualified to perform the duties and responsibilities of the position of the employee who is volunteering.
- b) The surplus employee will not be considered for a promotion, but may be considered for a promotion-in-place position.
- c) This must result in the withdrawal of surplus status from the surplus employee.
- d) The employee who is volunteering to be surplus will assume the surplus entitlements of the surplus employee who has his/her surplus status removed. A JRPT may recommend that different entitlements be made available to employees volunteering to be surplus.
- e) The exchange of employees arising out of the application of these provisions is subject to the approval of Hydro One. The decision to approve (or disapprove) will be on the basis of further disruption to the work of the affected work unit.

64.10.5.2 Vacancy Transition Phase (VTP)

Employees who are declared surplus have the option of remaining on payroll for the “vacancy transition phase”, which will last for a maximum of six (6) weeks. During the VTP, vacancies frozen at the beginning of the mix and match will be unfrozen and management must finalize the selections for these vacancies by the end of this period. The posting period will be one week. Surplus employees who remain during the VTP will have priority consideration for vacancies in accordance with Subsection 65.6.3. Subject to Section 64.14, surplus employees who remain during the VTP who have not accepted an offer of a position by the end of the VTP will be terminated. Surplus employees terminated at the end of the VTP will

have their entitlements calculated as of the date of surplus declaration (e.g., the period on payroll during the VTP will be deducted from the severance and in lieu of notice payment on termination).

Employees who elect not to remain on payroll during the VTP will be terminated immediately and receive payment in accordance with Section 64.13.

64.11 Job Offers

64.11.1 Acceptance/Rejection of Job Offers

A surplus employee will have up to 7 calendar days to accept or refuse an offer of a position.

64.11.2 Assessment of Suitability

If there is more than one applicant for a vacancy within The Society's jurisdiction, the applicants will be considered in the priority set out in Subsection 65.6.3.

Within each category the most suitable candidate will be selected.

64.11.3 Reasonable Offer Challenge Process

A Joint Reasonable Offer Team (JROT) will be established for each Unit of Application established under this Article.

This team will resolve employees' appeals arising from offers made during the mix and match process.

The team will meet and make a decision within three (3) working days of receipt of the appeal. The decision will become part of the JRPT final report recommendation.

It will take into consideration items such as job level, geographical location, responsibilities, status, health, family, legal precedents, community standards and past practices.

The team will be made up of two employees representing Hydro One and two employees representing The Society. The members of the team must be different than those on the Joint Redeployment and Planning Team. The team's membership composition should avoid conflict of interest.

The surplus employee is responsible for presenting his/her own case.

64.12 Compensation

64.12.1 Salary Maintenance

- 64.12.1.1. The surplus employee's base rate of pay will be maintained, including economic increases and special allowances in the case of TMS staff (refer to Article 30), until placement or termination.
- 64.12.1.2 If an employee accepts a position at the same salary level, it will be at the same salary and **step placement** subject to later performance reviews. Entitlement to special allowances for TMS staff will reflect the conditions of the new position.
- 64.12.1.3 If an employee accepts placement in a lower rated position his/her current base salary dollars will be frozen until the employee's current pay entitlement as determined from the salary grade and **step placement** exceeds the frozen level. This salary treatment must be conveyed in writing when the offer is made.

Exception:

An employee who is within three years of eligibility for an undiscounted pension will be entitled to any negotiated economic increases for the period of time prior to qualifying for the undiscounted pension. In the event that the employee does not retire upon qualifying for an undiscounted pension, his/her base salary dollars will be frozen at that time. (This would include any economic increases occurring during the period of time prior to qualifying for an undiscounted pension.) At this point, the normal salary maintenance provisions will apply.

- 64.12.1.4 Premiums will be calculated on the basis of the **step placement** assessed for the lateral or lower rated job.

64.12.2 Reduction in Hours of Work

(Applicable to Employees paid from Salary Schedules with base 35-hour workweek)

64.12.2.1 Principles

- Pay should reflect hours worked.
- Pay should reflect the job performed.

- 64.12.2.2 Where employees move to positions where the normal weekly hours are less than in their former positions, the following will apply:

- a) The Society and Hydro One will attempt to reach a local agreement on a transition which would allow the affected employees to work additional hours above the 35 hour base for an extended period of time with staged reductions.

- 64.12.2.3 Failing agreement in accordance with Clause 64.12.2.2, the following treatment will apply:

The employee's working hours and salary will be frozen for a six-month period at which point they will be reduced on a pro-rated basis by 2.5 hours. They will be further reduced by increments of 2.5 hours every six months thereafter until such time as the hours of work are the same as that of the new position.

64.13 Compensation on Surplus Termination

64.13.1 Payment in Lieu of Notice Entitlement Calculations

All full-time and reduced-hours employees who are declared surplus will have a payment in lieu of notice entitlement calculated as follows:

- no less than a 24 week basic payment in lieu of notice entitlement;
- plus
- service-based payment in lieu of notice entitlement equal to the sum of:
 - ◆ two (2) weeks per year of service for the first five years of service, and
 - ◆ one (1) week per year of service for service greater than five years, and
 - ◆ employees with relevant previous experience will receive additional service-based job search credits based upon their highest salary grade within one year of hiring in accordance with the following:

Salary Grade Hired Into	Credit
MP1/FMP11/TMS1-2/	2 weeks
MP2/FMP12/ /TMS3/	4 weeks
MP3/FMP13/ TMS4/	6 weeks
MP4/FMP14/ TMS5/	8 weeks
MP5/FMP15/OSS12/	10 weeks
MP6/FMP16/	12 weeks

- For reduced hours employees, the service-based payment in lieu of notice entitlement will be calculated as if all service had been worked full-time.

The total payment in lieu of notice entitlement will not exceed 60 weeks.

64.13.2 Severance, Lump-Sum Payments and Voluntary: Resignation

64.13.2.1 Severance

Severance pay for the purpose of this Article will be calculated, for employees with less than 20 years' service, at a rate of 2 weeks for each year of service at the date of surplus declaration. Employees with a minimum of 20 years of service shall receive severance pay of

3 weeks per year of service at the date of surplus declaration to a maximum of 78 weeks. It will be calculated at the weekly rate for base hours of work for the full-time position (refer to Section 71.2) to the nearest whole month (30 days). Credit will be given on a prorated basis for any service which exceeds a whole year to the nearest whole month (30 days). The relativity allowances paid to TMS staff will be treated as base salary in the calculation of severance for TMS staff.

Severance pay is paid only when employment has terminated.

Persons receiving severance pay will not be considered employees for the purpose of any benefit, service accumulation nor for any other purpose from the day of termination except for recall as per Section 64.15.

The maximum amount of severance is 78 weeks.

64.13.2.2 Lump Sum Payments and Voluntary Resignation

On termination, surplus employees will be entitled to their payment in lieu of notice and severance entitlements in the form of a lump sum payment in accordance with the following:

One hundred percent (100%) of their basic payment in lieu of notice entitlement, plus 100% of their service based payment in lieu of notice entitlement plus 100% of their severance pay entitlement, less any period on payroll during the vacancy transition phase if applicable.

64.13.2.3 Previous Severance and Lump Sum Payment

Surplus employees who have received a payment under a predecessor Article 64 or Agreement S3 will have their severance calculated on the basis of continuous service since the last time severance was paid.

64.13.2.4 Transitional Assistance

On termination, surplus employees shall also be eligible for the following:

- (i) Coverage under Hydro One's Health and Dental Plan for a period of nine (9) months from the date of termination of employment or until the commencement of alternate employment whichever occurs first;
- (ii) Reimbursement for tuition fees and other associated expenses up to a maximum of \$4,000.00 upon production of receipts from an approved educational program within 12 months of his/her termination;

- (iii) Reimbursement of outplacement services up to a maximum value of two weeks' salary (e.g. Outplacement counselling, legal or financial counselling, external job search expenses), upon production of receipts.
- (iv) Recall and vacancy selection priority rights pursuant to 64.15.

64.13.3 Legal Notice of Termination of Employment

It is agreed that compensation for basic payment in lieu of notice and the service-based payment in lieu of notice is sufficient and full notice as per the requirements of the relevant legislation. This Article meets the requirements of the *Canada Labour Code* for federally regulated employees.

64.14 Termination of Employment

If a surplus employee who elects to remain on payroll during the Vacancy Transition Phase is not placed by the end of this Phase he/she will be terminated with severance pay entitlement as per Sub-clause 64.12.2.2.1 "Severance".

Surplus employees on rotation may continue employment with Hydro One beyond the Vacancy Transition Phase at the discretion of the receiving unit (i.e., the unit with the rotational assignment). Normally the extension will be for the duration of the rotational assignment, but a cancellation provision (minimum of 30 calendar days) may be included as one of the terms of the rotational assignment at the discretion of the receiving unit. For the period of employment following the expiration of the Vacancy Transition Phase, employees will be considered per Clause 65.6.3 (f) for selections to corporate vacancies. The period of employment extension shall not be used for the calculation of any entitlement (e.g., severance and payment in lieu of notice) under this Article. In all other respects, the affected employees will be treated as regular employees under the Collective Agreement.

Throughout this Article, wherever surplus employees eligible to retire terminate their employment voluntarily or involuntarily, such employees will be entitled to full retirement benefits in addition to full entitlements under this Article.

64.15 Recall Rights

Employees whose employment is about to terminate are entitled to the following:

- a) A terminating surplus employee will be eligible for either:
 - a weekly paid severance payment with entitlements to recall within Hydro One;
 - or
 - a lump sum severance payment with no right to recall.
- b) Terminated surplus employees with more than 3 years' service will be eligible for recall rights for 12 months from the date of their termination. Employees on Schedule 04 or who have less than 3 years' service will be eligible for recall rights for 24 months from the date of their termination.

- c) Former surplus employees with recall rights will be considered for vacancies in the bargaining unit as per Subsection 65.6.3, including their right to grieve non-selection (refer to Subsection 65.6.3).
- d) Weekly severance payments will cease in the event a terminated former surplus employee is rehired.
- e) Severance pay received prior to recall will be subtracted from any future severance pay entitlements under this Article.
- f) Persons on recall are not employees and shall not be entitled to any benefits provided to employees except recall rights as noted above.

64.16 Relocation and Housing Assistance

64.16.1 Hydro One will restructure the cost of relocation so it mitigates the disincentive in the redeployment of surplus staff.

64.16.2 A surplus employee in a community where Hydro One's presence influences the housing market may avail himself/herself of the House Evaluation and Guarantee Plan in accordance with the Hydro One policy.

65 VACANCIES (RELIEF, ROTATIONS AND SELECTIONS)

65.1 Intent

To provide open, fair access to career opportunities and enable Hydro One to optimize staffing requirements over time.

65.2 Definitions

"Relief/Rotations" assignments are short assignments where an individual is assigned duties outside their normal job duties.

"Relief" assignments will mean short term assignments (normally up to 3 months) where an individual is appointed to act temporarily in an ongoing position or which is expected to become an ongoing position. In some cases, the individual may not be required to perform all of the duties and responsibilities of the position.

"Rotations" will mean assignments normally greater than 3 months but not exceeding 2 years in duration **(unless there is agreement between the applicable Society representative and the employer)** in positions which are not expected to be ongoing.

65.3 Advance Planning

Prior to filling the work assignment, Management will meet with the local Society representative to discuss the nature of the requirement (e.g., relief, rotation) its expected duration, the selection process and whether there is an expectation that the work assignment will result in an on-going position.

65.4 Relief

- 65.4.1 Relief is used to cover (a) short-term absences for vacation, sickness, relief absences, etc., (b) short-term bridging periods for selection or rotation, and (c) short-term emergency situations.
- 65.4.2 The process for selecting the employee to fill the relief assignment should be easy and quick and provide a fair opportunity to employees in the work unit to perform relief.
- 65.4.3 If there is mutual agreement between the **applicable** Society **representative** and Management prior to the beginning of the relief assignment, the relief assignment and the incumbent(s) can run for a period of up to one year. In the absence of mutual agreement, the relief assignment is limited to 90 days.
- 65.4.4 Relief assignments will not be used continuously to avoid advertising either a rotation or an ongoing position.
- 65.4.5 Pay treatment while on relief will be in accordance with Article 66.

65.5 Rotations Within the Bargaining Unit

(This Article does not apply to rotations outside the unit.)

Rotations are used to accomplish work for situations that occur between short-term relief and on-going positions. At the completion of the rotation, the employee will return to his/her original position or a comparable position normally within the sending unit, except in the circumstances where the employee is surplus (see Article 64).

65.5.1 Principles

Job rotations serve many purposes such as:

- a) to provide development opportunities to employees consistent with their career objectives;
- b) to allow Management to meet temporary work programs and work load requirements;
- c) to manage work performance or to test skills and capabilities where it is believed that an employee's skills and capabilities may be better utilized in another position;
- d) to broaden the experience of employees so that they may better perform their regular jobs;
- e) to provide employees with the opportunity to develop new skills for career advancement or to enhance career options in the case of anticipated redeployment or technological change which could result in skill redundancy or obsolescence;
- f) to meet Hydro One's employment equity objectives;

- g) to provide Management with flexibility in resourcing regular positions as a result of employees being provided rotational opportunities and temporary relief assignments.

- 65.5.2 Rotations **that will last longer than twelve (12) months** in duration will be posted. The scope of the posting will be determined by the receiving unit and may be within the Department, Division/Business Unit or Hydro One-wide. Hydro One will post rotational opportunities on the Hydro One website. **Rotations that are not posted will not exceed twelve (12) months in duration.**

Unless there is mutual agreement, the rotation will not continue beyond two years except where the position is formally identified as an ongoing training position.

A job rotation posting should include basic information such as the position name and location, salary level, a description of required duties, starting date and proposed duration of the rotation.

- 65.5.3 The optimal selection process is one in which the employee's interest in the job rotation opportunity, the sending unit's ability to release the employee and the receiving unit's interest in the employee coincide. Rotations will be voluntary. **All applications for rotations that represent a promotion must be processed unless it is determined that releasing the applicant would seriously jeopardize the viability of the work unit.**

The selection process should include the use of formal selection criteria and interviews will be the responsibility of the receiving unit.

- 65.5.4 Employees selected for rotation will be provided with a letter in advance of the rotation stating the nature, terms and conditions of the assignment, including rotation duration and details of the performance appraisal process. These terms and conditions should be mutually acceptable.

- 65.5.5 An employee, other than those who are surplus, who accepts a job rotation will be given a guarantee by the sending unit that he/she can return to his/her original position, if available, or to a comparable position normally with the sending unit.

- 65.5.6 Terms and working conditions while on a job rotation will comply with all applicable Articles in the Collective Agreement concerning pay treatment, overtime, **salary progression** plan and appraisal process, moving expenses, travel expenses and related Hydro One policies.

- 65.5.7 Employees should not be restricted from applying to advertised vacancies or from being subsequently released from the rotational assignment if selected where the employee is surplus or the vacancy represents a promotion.

- 65.5.8 Performance feedback is an essential ingredient in any rotational assignment and should be provided during and upon completion of the rotation. A rotation should not normally have a negative effect on an employee's **step progression**.

65.6 Selections for Ongoing Positions (i.e., Assignments Other Than Relief or Rotations)

65.6.1 All vacancies for ongoing positions (i.e., assignments which do not fall into the category of relief or rotations) shall be advertised Hydro One-wide unless there is agreement with the **applicable** Society **representative** or the following conditions apply:

- a) during implementation of Article 64 (Redeployment, Surplus Staff Procedure and Change of Employer);
- b) laterals or demotions in the case of sickness; employees with disabilities or special needs; employees returning from rotations, LTD, leaves of absence, foreign assignments, secondments/assignments outside Hydro One;
- c) performance management that takes place following consultation with the Society;
- d) ongoing exceptions in specified organizational units where there has been joint agreement by the parties.
- e) “promotions” within a promotion-in-place plan or a proposal which has the joint agreement of the Issues Team in accordance with Subsection 32.3.1. Vacancies for positions in a promotion-in-place plan will be advertised in a manner which informs employees that the position is included in a promotion-in-place plan and that where the best candidate does not satisfy the qualifications or experience required for the end position the employee may be offered the position at a lower rate and be promoted in place.

Employees in categories (a) to (e) in subsection 65.6.3 will be considered at all levels of the PIP prior to those employees in categories (f) to (j) and subject to unit viability. Unit viability which would alter this consideration will be discussed in advance of advertising the PIP.

Exceptions to provide for the advertising of the position at a lower rate than the end position will be permitted by joint agreement between the Society **representative** and the Business Unit Leader based upon a balanced consideration of:

- future work planning needs
- providing developmental opportunities for lower-rated staff outside of the promotion-in-place plan
- current work requirements
- unit viability and the need to have sufficient number of staff in the end positions.

In such cases, the vacancy notice will state that the position is part of a PIP Plan and surplus employees will be considered for placement at a lateral level.

- f) a regular position currently held by an employee where a job review has resulted in a change in salary schedule and/or salary grade.
- g) to fill vacancies with the same occupation code within six (6) months of the ongoing posting, in which case Management may select from the previous list of candidates, after checking that surplus employees have not become available for consideration since the vacancy was last advertised;
- h) to meet legislative requirements;
- i) pursuant to Section 25.5.

65.6.2 All applications which represent a promotion must be processed.

When an application to an advertised vacancy represents a lateral or demotion to a non-surplus employee, the following will apply:

- a) Applications from employees with less than one year's service in their current position will be processed and considered if the employee's supervisor agrees.
- b) Applications from employees with one to three years' service in their current position will be processed and considered if, in the opinion of the current supervisor and the hiring supervisor, the move on balance would be in the best interest of Hydro One and the employee.
- c) Applications from employees with over three years' service in their current position will normally be processed and considered unless the move would seriously jeopardize the viability of the work unit.

65.6.3 Selection Priority for Vacancies

If there is more than one applicant for a vacancy within the Society's jurisdiction, the applicants will be considered in the priority set out below:

- a) Surplus Society-represented applicants who have elected to remain on payroll for the "vacancy transition phase" for whom the vacancy represents a lateral or demotion including surplus trainees applying for MP2 or equivalent or lower rated positions on Schedules 01 and 02 who have progressed to at least Step 5 and who were mixed and matched with Schedule 01 and 02 employees;
- b) Surplus employees ***in positions covered by Article 25 ("trainees")*** who were not mixed and matched with Schedule 01 and 02 employees and who have greater seniority than Surplus Applicants on Salary Schedules 01 and 02 and have elected to remain on payroll for the "vacancy transition phase" will have priority consideration for MP2 and equivalent or lower rated vacancies before the applications from all other individuals other than those in (a) above.
- c) Surplus Management Compensation Plan (MCP) applicants from positions that are excluded from the Society for whom the vacancy represents a

lateral or demotion who remain on payroll during the six week period following their surplus declaration.

- d) Surplus terminated persons with recall rights pursuant to Section 64.15.
- e) Rehabilitative employees pursuant to Section 47.5.
- f) All regular Society-represented and **(until March 31, 2014)** regular MCP applicants to the vacancy. This includes applicants from another Society bargaining unit with selection priority pursuant to the transition provisions in Article 9.
- g) Regular MCP applicants (effective April 1, 2014).**
- h)** Temporary employees.
- i) Employees temporarily included in the Society's bargaining unit paying Society dues (See Section 5.2).**
- j)** Members of other bargaining units who are active employees of Hydro One.
- k)** External to Hydro One.

Assessment of the suitability of a surplus employee for a lateral or lower level placement opportunity will include education, experience, personal contribution factors and potential for training to perform the job requirements within a reasonable period of time (e.g. up to six (6) months). A surplus employee who is placed and who requires additional training to perform the job requirements will be provided with assistance to obtain the necessary training and development to perform the new job requirements. Hydro One will restructure the cost of retraining so it mitigates the disincentive in the redeployment of surplus staff.

A determination that none of the applicants in category (a) is qualified or qualifiable within a reasonable period of time is required before considering the applicants from the next category. The same is true with respect to categories (b), (c), (d), (e), (f) (g), **(h) and (i)**. "Qualifiable" means that the employee can perform the job requirements normally within 6 (six) months.

See subsection 65.6.1 for priority consideration of applicants to promotion in place plan vacancies.

Hydro One agrees to grant priority to Society represented employees who are surplus and to those who fall within subsection 65.6.3(e) who apply for positions excluded from all union jurisdictions and for whom the vacancy represents a lateral or demotion, after the consideration of surplus applicants who are excluded from all unions for whom the vacancy represents a lateral or demotion and prior to consideration of all other applicants.

(The following paragraph is deleted effective April 1, 2014). Regular MCP applicants are granted the same priority consideration as regular Society-represented applicants at level (f) on condition that Society-represented applicants are granted the same priority consideration as MCP applicants for MCP vacancies except as otherwise provided for in this sub-section.

- 65.6.4 In determining who is the best qualified candidate for positions, in each category of subsection 65.6.3, the primary basis for the selection of employees is their assessed capability to perform the necessary work. The selection criteria would normally include but not be limited to the following:
- a) requirements including skill, knowledge, education, experience, transferable/generic skills such as analytical skills, communications skills, project management skills, consulting skills, self-management skills, accountability, responsibility, etc.;
 - b) the candidate's past track record and what she/he brings to the position;
 - c) the candidate's potential to develop competence for more senior positions;
 - d) the need to meet legislative requirements;
 - e) the need to balance the overall requirements of the work unit.
- 65.6.5 Employee selection measures which are used as aids in selection decisions shall be job related and be used in a manner that is fair and equitable to the individuals being assessed. Individuals will be entitled to prior knowledge of the selection criteria and be entitled to information with respect to their performance in the selection process upon request.
- 65.6.6 Some flexibility should be exercised in accepting late applications to advertised vacancies after the closing date in order to permit employees a fair opportunity to continue employment yet still allowing the Business Unit to resource expeditiously.

Where the closing date is FIRM, it must be stated clearly in the vacancy posting that late applications will not be considered.

- a) Surplus and non surplus employees are normally expected to have made application to a vacancy by the closing date.
- b) It is recognized that in some instances, there will be applications filed after the official closing date. In these cases, unless the closing date is FIRM, late applications must be filed with the advertising location NOT later than the date that the "short list" of applicants is finalized for formal consideration.
 - The term "Short List" refers to the first list of applicants who Management plans to interview for a vacancy.

- c) Employees who have applied for vacancies and are later declared surplus have until the "short list" date to notify the advertising location of the change in their status.
- 65.6.7 Applicants to advertised vacancies are to be advised of the status of the vacancy (and of their applications) within a reasonable period of time for each successive step they qualify for.
- 65.6.8 Hydro One shall provide copies of all offer letters, including for rotational assignments and new hires, to the **applicable** Society **representative**.
- 65.6.9 When outstanding vacancies remain unfilled for longer than six months, employees in the work unit concerned should be advised of the reason for not filling such vacancies.
- 65.6.10 All positions on salary schedules 01, 02, and 03 which are excluded under the Recognition Clause and **Band 6 MCP** vacancies including rotational opportunities expected to last longer than six months will be posted on appropriate bulletin boards (and through electronic means where possible).
- 65.6.11 Release of Employees Selected to a Vacancy

Intent:

- a) Hydro One will strive to facilitate the expeditious release of employees who are selected to a vacancy.

Normally, employees should be released within 90 days of the vacancy selection. In the event that a release date greater than 90 days appears likely, Management will discuss the reasons for the delay and a release date with the Society.

66 SALARY TREATMENT FOR PROMOTIONS, TEMPORARY ASSIGNMENTS, LATERAL TRANSFERS AND DEMOTIONS

66.1 Definitions

"Promotion": This occurs when an employee is appointed to a position in which the demands and responsibilities are greater than in the employee's current job and the position is a minimum of one salary grade higher than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade higher if rated on a different salary schedule.

"Higher-Rated" Job:

A job paid from:

- a) the same salary schedule and is a minimum of one salary grade higher than the employee's current job; or
- b) a different salary schedule in which the salary level is greater than in the employee's current job, measured by Step 9 salary grade rates.

"Lateral Transfer":

This occurs when an employee is appointed to a job paid from:

- a) the same salary schedule and is the same salary grade as the employee's current job; or
- b) a different salary schedule in which the salary level is equivalent to the employee's current job, measured by Step 9 salary grade rates.

"Demotion":

This occurs when an employee is appointed to a position in which the demands and responsibilities are less than in the employee's current job and the job is a minimum of one salary grade lower than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade lower if rated on a different salary schedule.

66.2 Promotion

66.2.1 It is normally expected that an employee will receive a salary increase upon promotion to compensate for the greater demands and responsibilities of the new, or revised, job.

66.2.2 A promoted employee will be placed at the step which reflects a reasonable expectation of his/her performance in the new or revised job.

66.2.3 It is normally expected that employees who are "green-circled" as a result of the implementation of the new salary progression plan and whose "green-circled" rate is above Step 9 of the rate of the new job will receive a salary increase, to a maximum of 3%, upon promotion.

66.3 Reclassification as a Result of a Job Re-evaluation

66.3.1 Reclassification may occur under several circumstances:

- a) when the salary grade for a job increases with no change in the employee's actual job duties/responsibilities;
- b) when the employee has been and will continue to perform additional job duties/responsibilities;
- c) when additional job duties/responsibilities are to be added to the job.

Reclassification as a result of (a) or (b) above will result in the employee being placed in the same step in the higher salary grade.

Reclassification as a result of (c) above will be considered as a promotion. However, at the next performance appraisal the employee will be eligible to be placed in the same step as before the reclassification.

In circumstances (a), (b) or (c), it is normally expected that employees who are "green-circled" as a result of the implementation of the new salary progression

plan and whose “green-circled” rate is above Step 9 of the rate of the reclassified job will receive a salary increase, to a maximum of 3%, upon reclassification.

- 66.3.2 Short-term increases in the employee's actual job duties/responsibilities do not require reclassification but may be subject to the relief provisions of this collective agreement.
- 66.3.3 Retroactive payments, if any, that result from reclassification either because of a Management or employee-initiated job review will be limited to a maximum of one year prior to the date of the job review request. The employee must have performed the relevant duties and responsibilities which resulted in the reclassification during this period in order to qualify for retroactivity.
- 66.3.4 Retroactivity which results from a reclassification decision will be paid within 60 calendar days of the decisions (i.e., if no dispute, date of Management decision to implement; if dispute goes to grievance, date of Step 2 decision or date of arbitration award).

66.4 Relief Pay

An employee will receive a salary increase after five (5) consecutive days when temporarily relieving in a higher-rated position or after 10 cumulative working days. Where such increases occur, they will be paid retroactive to the first day of relief. The amount of increase should reflect the increase in job demands and responsibilities. Employees who are “green-circled” as a result of the implementation of the new salary progression plan and whose “green-circled” rate is above Step 9 of the rate of the relief position will receive a salary increase, upon meeting the conditions outlined above, to a maximum of 3%.

66.5 Lateral Transfer

Normally, an employee who is appointed to a lateral position should receive no increase in current pay.

66.6 Demotions

For voluntary demotions, the employee will take the rate of the lower-rated position except as follows:

- Where employee involuntarily demoted pursuant to Article 64, “red-circling” (i.e. the freezing of the employee's base salary dollars) will continue until employee's new pay rate exceeds the frozen level, regardless of the number of appointments.

67 PURCHASED SERVICES

No employee will be laid off as a direct result of contracting out.

68 HOURS OF WORK

- 68.1 Salary schedule 01 applies to all employees with a 35 hour base work week and to all employees in jobs rated under the Plan A Job Evaluation Manual, with regularly scheduled hours between 35 and 40 hours per week paid on a prorated basis.
- 68.2 Salary schedule 02 applies to all employees with a 37.5 base work week, with regularly scheduled hours between 37.5 and 40 hours per week paid on a prorated basis.
- 68.3 Salary schedule 03 applies to all employees with a 40 hour base work week in jobs rated under the TMS Job Evaluation Manual or to which LOU #5 applies.
- 68.4 Reduction of Hours of Work

Where Management reduces the standard hours of work for a position, the following will apply:

- a) The Society and Hydro One will attempt to reach a local agreement in advance of the change on a transition which would allow the affected employees to work additional hours above the 35 hour base for an extended period of time with staged reductions.
- b) Failing agreement in accordance with (a), the following treatment will apply:
 - i) Where an employee is within 3 years of eligibility for an undiscounted pension, the employee's normal hours of work will not be reduced for 3 years, or until such time the employee is eligible for an undiscounted pension if earlier, and the employee will continue to receive economic pay adjustments. If the employee does not retire upon qualifying for an undiscounted pension, then their hours of work and base rate will be immediately reduced to the hours and rate of the position.
 - ii) For other employees than those in category (i), the employee's working hours and salary will be frozen for a six month period at which point they will be reduced on a pro-rated basis by 2.5 hours. They will be further reduced by increments of 2.5 hours every six months thereafter until such time as the hours of work are the same as that of the new position.

- 68.5 Hydro One will comply with legislative requirements regarding hours of work.

69 REDUCED BASE HOURS (40 HOUR WORKERS)

The base hours of work for employees whose regularly scheduled hours of work are 40 hours is 39 hours per week.

These employees will continue to work 40 hours per week, banking one hour per week at straight time.

- a) The normal scheduled and paid hours of work will remain at 40 per week.
- b) Overtime rates will be paid for all hours in excess of normal scheduled hours.

- c) Banked time may be taken on such days as the employee and his/her supervisor mutually agree upon following reasonable advance notice on the part of the employee.
- d) Banked time may be taken off in a minimum of half day (i.e. four hour) increments.
- e) Banked time accumulated in a calendar year must be taken by April 30th of the following year.
- f) Where an employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD), unused banked time entitlement will be assigned on the last working day(s) prior to April 30th.
- g) Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
- h) Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence and parental leave.
- i) When an employee terminates or when an employee is appointed to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.

70 ALTERNATE HOURS OF WORK ARRANGEMENTS

70.1 Principles

- 70.1.1 That any alternative arrangements will positively affect our customers. That cost, quality, service and value are key to our success.
- 70.1.2 That work is best achieved when individuals manage their own time and accept the accountability and the responsibility for the results.
- 70.1.3 That processes for negotiating and establishing hours of work arrangements will be uniform across Hydro One, and accessible to all. The processes will be designed to ensure equitable treatment. However the results of applying the processes may differ from location to location and unit to unit.
- 70.1.4 That decisions should be made at the most appropriate level that is closest to the work being done.
- 70.1.5 That individual concerns will be factored into group proposals and wherever possible, participation in changed hours of work will be on a voluntary basis.

70.2 Application

The procedure described in this Article applies to all forms of alternate hours of work arrangements.

70.3 Definitions

"STANDARD HOURS OF WORK" are to be worked to provide coverage for the business hours. For people assigned to day work, a start time window is established to allow a flexible start-time between 7:00 a.m. and 9:00 a.m. and standard hours will not end after 6:00 pm. They are:

- for 35 hour/week staff - Monday through Friday, 7 hours per day and
- for 37.5 hour/week staff - Monday through Thursday, 8 hours/day and 5.5 hours on Friday and
- for 40 hour/week staff - 8 hours per day, Monday through Friday.

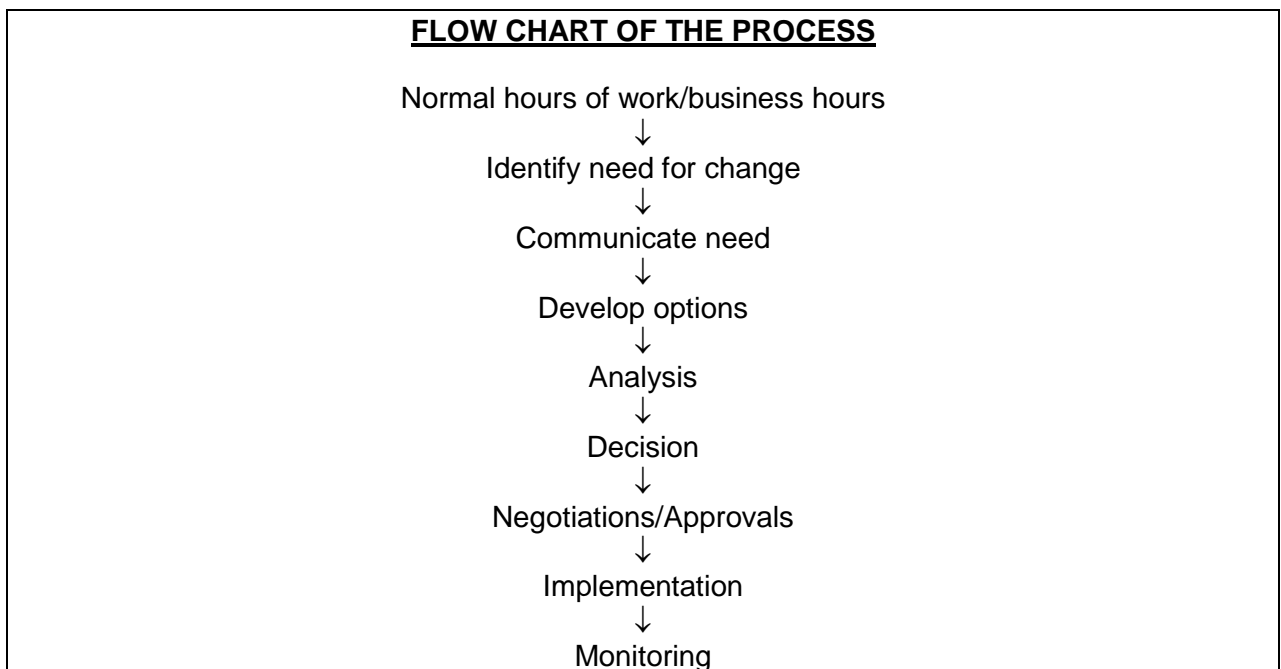
In the absence of any other agreed upon arrangements these are the hours which will be worked.

In situations where there is need for 24 hour and/or 7 day/week coverage the hours of work will be a matter of local arrangement.

"NORMAL HOURS OF WORK" are either the standard hours of work or another arrangement as agreed upon using this process.

"STANDARD BUSINESS HOURS" are determined by the needs of the business and the customers.

"NORMAL BUSINESS HOURS" are either the standard business hours or another arrangement as agreed upon using this process. The normal business hours are just a variation on the standard business hours. They would normally arise from a change in customer needs.



70.4 Overtime

Hours worked in excess of the normal hours of work will be considered to be overtime except where there has been agreement between the supervisor and the employee for the employee to work in excess of normal hours to make up time.

The pay treatment for Saturday and Sunday will form part of the Agreement which establishes the normal hours of work.

70.5 Process

70.5.1 Identify Need for Change

Identification of the desire for change can come from Management, an individual or a group. A request to change business hours would normally come from Management whereas a request to change working hours would normally come from an individual or group. Where a change to the hours of work for a group is being considered, the Society will be informed and involved in the discussions.

70.5.2 Communicate Need for Change

A request for a change should be communicated to the other party in order that deliberations can begin. Requests will be actively considered by the other party within a reasonable period of time. The process will be joint (Society and Management) and will use a collaborative approach in which the needs and interests of the parties are discussed in an open and honest manner and decisions are made by consensus.

70.5.3 Develop Options

A list of options will be jointly developed and agreed upon. As a minimum, the following criteria will be considered when analyzing the options:

- customer needs
- business needs
- maximum/minimum number of hours that can be worked daily
- overtime/premium provisions
- employee needs
- health and safety considerations
- legal and contractual considerations

70.5.4 Analysis

All options should be analyzed using appropriate tools and measures. The analysis should include a discussion of the options considered, their relative merits and the rationale for the recommendation.

70.5.5 Decision

All decisions will be reached by consensus. If consensus is not achieved then the existing "normal" hours remain in effect.

Consensus means everyone can live with and publicly support the outcome.

70.5.6 Negotiations/Approvals

Negotiations and/or approvals should occur at the appropriate level closest to the situation. The line Director will determine the appropriate level of Management approval and in all cases the Management approval must be outside of the bargaining unit. If necessary, mid-term agreements will be established between Management and the Society to document normal hours of work or normal business hours.

All parties to negotiations under Article 70 should negotiate with the support of principals who will ultimately approve negotiated conditions.

70.5.7 Implementation

Implementation will be on a trial basis initially for an agreed upon length of time and with appropriate cancellation provisions. Criteria for success/failure must be established.

70.5.8 Monitor

The trial will be monitored and evaluated against the criteria. The accountable manager is responsible for monitoring the arrangement.

Following a successful trial period the hours (business hours of work) used in the trial period will become the new normal hours.

Monitoring of key indicators will continue to ensure that the arrangement remains viable.

In the event that the viability ceases to be realized, as determined by either party, the hours of work will revert to the previous "normal" hours unless the parties can jointly find another mutually acceptable alternative. When either party is making a determination about viability it must consider the previously established criteria for success/failure.

71 REDUCED HOURS OF WORK (RHOW) ARRANGEMENTS

71.1 Principles

71.1.1 Employees working RHOW are regular employees and have equal access to all Hydro One policies and agreements (e.g. employment continuity).

71.1.2 The RHOW arrangement must be mutually beneficial and acceptable to both the employee(s) and to Hydro One.

71.1.3 The benefit entitlement will be prorated, wherever possible and appropriate.

71.2 Definitions

A "REDUCED HOURS OF WORK (RHOW) AGREEMENT" is a formal arrangement which individual employees can enter into with Management to perform work over a

period of time by working less than the base hours for a full-time position. A RHOW agreement could apply to one individual or two or more in a job sharing arrangement.

"WORK UNIT" is an organizational grouping of employees and may be as small as a crew or as large as a Business Unit.

"BASE HOURS" are used to establish the rate for a full-time position; such as 35, 37.5, or 40 hours per week.

"NORMAL (SCHEDULED REDUCED) HOURS" are the agreed upon reduced hours of work, which are less than the base hours, and form the basis for prorating benefits.

71.3 Guidelines

In determining if a RHOW arrangement is acceptable, the following factors will be considered:

Productivity levels will be maintained or improved. There should be identification of how this change will potentially affect the productivity of the work unit (including assumptions and rationale used to assess the impact), and identification of the proposed method for follow-up and measurement of productivity impact(s) resulting from the change.

The need to maintain staff capability on an ongoing basis is to be taken into account. Identification of the staff capabilities required by the work unit to maintain effective operations, and how the reduced hours of work arrangement will accommodate or improve this capability should occur.

The appropriate level of service to both external customers and internal customers/clients should be provided. There should be identification of the customers/clients of the work unit and the service provided by the work unit to these customers/clients, and anticipation of the impact of the reduced hours of work arrangement on the service provided.

Effective workflow among work units will be maintained. Other work units impacted by the change, and the anticipated impact of the reduced hours of work arrangement on the workflow among the work units should be identified.

Requirements for supervision must be taken into account. Potential issues relating to supervision (e.g., span of hours), and how the work unit plans to deal with these issues should be determined.

The change to reduced hours should be agreeable to both Management and the employee(s) involved. A written Reduced Hours of Work Agreement must be signed to confirm that this matter has been agreed upon by the parties involved.

71.4 General Conditions - Reduced Hours Arrangements

71.4.1 Advertised Vacancies, **Salary Progression**, and Employment Continuity

Employees who are on Reduced Hours are regular employees and will be treated accordingly. Therefore, they will be: (a) eligible to apply and be considered for advertised vacancies; (b) given annual performance reviews; (c) where applicable, participate in the step progression process; and (d) have access to the Article 64.

71.4.2 Established Commencement Date (ECD)

ECD will be manually adjusted at the beginning of each year, to reflect the normal (scheduled reduced) hours worked in the previous year while on Reduced Hours, or at such intervals as may be necessary, to reflect the equivalent full years worked. ECD will not be adjusted for sick leave purposes.

71.4.3 Vacation Credit Date (VCD)

The VCD will not be adjusted. It will reflect calendar years. This date affects vacation bonus entitlement for all eligible staff and includes all Hydro service regardless of breaks. It may be different from the ECD.

71.4.4 Service Recognition Date (SRD)

For recognition of 5, 15, 25, and 40 years of service with Hydro One and consistent with the provisions of Section 9.4, the SRD will not be adjusted.

71.4.5 Wages

Reduced hours employees will be paid for normal (scheduled reduced) hours worked, based on the hourly rate for their base hours. Wages will be prorated based on the proportion of the normal (scheduled reduced) hours of work compared to the base hours of the work unit or the appropriate full time position.

Example: Base Hours = 35 per week.

Base Salary = \$700.00 per week.

Normal (Scheduled Reduced) Hours = 21 per week.

Normal (Scheduled Reduced) Hours Salary = $\$700.00 \times \frac{21}{35} = \420.00 per week

71.4.6 Pension Plan

71.4.6.1 Pension Plan Membership

New employees working reduced hours must apply for membership in the Pension Plan after completing 24 months of continuous service, subject to the following conditions:

- accumulated earnings, including overtime, must equal 35% of the Year's Maximum Pensionable Earnings (YMPE),
- and/or
- all accumulated hours, including overtime, must equal 700 (scheduled reduced) hours in each of the two previous calendar years.

71.4.6.2 Pension Plan Deductions

Once qualified as above, Pension Plan deductions for Regular Reduced Hours employees will be based on base earnings for the position and then pro-rated in proportion to the ratio of normal (scheduled reduced) hours to base hours.

Example: Base rate (earnings) \$45,000

Base hours	35
Normal hours	20
YMPE for year	\$32,000

Calculate 4% of the base earnings up to the first \$32,000 ($4/100 \times \$32,000 = \$1,280$)

Calculate 6% of the portion of base earnings exceeding the first \$32,000 ($\$45,000 - \$32,000 = \$12,800$) ($6/100 \times \$12,800 = \768)

Calculate proportional Pension Plan contributions ($\$1,280 + \$768 = \$2,048$) ($20/35 \times \$2,048 = \$1,170.29$).

Calendar service will be used to determine eligibility for retirement and death benefits (currently defined for pension purposes as Eligible Service or Continuous Employment).

Service credit to define the years of Pension Plan membership (years of membership in the Pension Plan) for pension calculation purposes (currently defined by the Effective Date on Pension and Insurance) is prorated. See pension calculation example below.

The Service Credit starts from the date of joining the Pension Plan.

Service for termination benefits, currently defined by the Pension Termination Service Date (PTSD), is to be credited on a calendar basis starting with the date of hire. Service related to the PTSD is not prorated.

71.4.6.3 Pension Calculation

The following is an example of how the pension of an employee in a Reduced Hours of Work arrangement would be calculated. Assume an employee has the following years of employment: 20 years full-time, followed by 5 years of 50% part-time, and then 10 years full-time.

For pension eligibility purposes the employee has 35 years' service, i.e. $20 + 5 + 10$ to calculate the amount of pension to be received the part-time years are pro-rated.

$$20 + 5/2 + 10 = 32.5 \text{ years pensionable service}$$

$$30 + 5/2 \times 2\% = 65\% \text{ pension.}$$

If the reduced hours years were the last five years, i.e. 30 years full-time + 5 last years at 50% part-time, the part-time earnings would be annualized as follows, assuming the part-time earnings are \$25,000 or 50% of the yearly rate of \$50,000 for the last three years of employment.

The calculation is as follows:

$$(30 + 5/2) \times 2\% = 65\% \text{ pension}$$

$$\text{annualized pension is } \$50,000 \times 65\% = \$32,500/\text{year.}$$

71.4.7 Life Insurance

Probationary employees after 3 months service and all regular employees are covered under the Group Life Insurance Plan. Membership in the plan begins on the first day of the month following the date the employee completes 3 months of probationary service or is granted regular status. The basic insurance (2 times salary) plus any additional term insurance will be prorated in accordance with the prorating of wages above.

71.4.8 Health and Dental Benefits

Employees will have the option of receiving full benefit coverage for semi-private hospital, extended health benefits, and/or dental benefits, by using payroll deduction to reimburse Hydro One the cost consistent with the appropriate pro-ration. For example:

If an employee works 21 hours per week, he/she would be subsidized for 21/35 or 60% of the costs and he/she would pay the remaining 40%. If an employee chooses not to pay the remaining prorated percentage, there will be no coverage.

71.4.9 Sick Leave

Restoration of sick leave credits for days used will be in accordance with the Sick Leave Plan provisions.

Sick leave should accumulate at the regular times (January 1 or July 1). While ECD is adjusted for other purposes, sick leave accumulation and restoration dates should remain unchanged.

Annual sick leave credits will be prorated, based on normal hours worked.

Example

100% Entitlement Accumulation

- Employee works 21 hours per week $21/35 \times 8 \text{ days} = 4.8 \text{ days}$, rounded to 5 days.

75% Entitlement Accumulation

- Employee works 21 hours per week $21/35 \times 15 = 9 \text{ days}$.

Rounding should be to the nearest half day. Time Reporting for vacation, sickness, accident and overtime, etc. will be the same as for any other regular employee.

71.4.10 Long Term Disability (LTD)

Long term disability (LTD) coverage is only available to **regular employees**.

71.4.11 Accident Insurance

Employees are eligible for 100% benefit.

71.4.12 Statutory Holidays

Both the entitlement to statutory holidays and the payment for the statutory holidays will be prorated. The following table illustrates the entitlement:

Days Worked Per Week	Number of Days Entitled to per Year
1	2
2	4
3	8
4	8 (9 for Federally-Regulated Employees)
5	10

The pay on a statutory holiday will be equal to the pay for the average daily hours of the RHOW employee. For example:

An employee works 4 days per week @ 5 hrs per day. In accordance with the entitlement table above the employee is entitled to 8 statutory holidays per year. Payment for each statutory holiday will be for 5 hours since that is the average of the 4 days per week the employee works.

71.4.13 Floating Holidays

These will be prorated in the same manner as statutory holidays, i.e. both the entitlement and the payment on the days will be prorated. For example, an employee who works 3 days per week and 7 hours on each day worked will receive:

$$3/5 \times 3 \text{ days} = 1.8 \text{ rounded to nearest half day} = 2 \text{ days}$$

The payment for each day will be for at 7 hours since that is the average hours per day the employee works.

71.4.14 Vacation

- A. Less than 1 year - 4% of accumulated wages.
- B. For one year, or more:

Vacation entitlement will be based on calendar years (i.e. VCD). The entitlement in any given year will be prorated based on the average number of days worked per week and the actual payment for those days will be based on the average number of hours worked per day.

Example - (a)

A regular full-time employee who commences RHOW on January 1 and who otherwise would be entitled to 20 days' vacation, contracts to work 3 days per week at 7 hours per day (21 hours per week), for the full vacation year, while the remainder of the work unit works 35. The vacation entitlement will then be:

$20 \times 3/5 = 12$ scheduled days off.

The payment on each of the 12 days would be for 7 hours pay since that is the average number of hours the employee works per day. Therefore the total pay will be 12 days @ 7 hours pay = 84 hours pay.

Example (b)

An employee who works 5 days per week but works only 4 hours per day.

$20 \times 5/5 = 20$ scheduled days off

The payment for each day would be for 4 hours since that is the average number of hours the employee works per day. Therefore the total pay will be 20 days x 4 hours pay = 80 hours pay.

71.4.15 Overtime

The normal lieu time provisions will apply. Overtime will be paid at appropriate rates for:

- hours worked beyond the base full-time hours on a day (unless additional hours are part of the RHOW arrangement);
- hours worked beyond the base full-time hours in a week;
- hours worked on a Saturday, Sunday or statutory holiday that is not a normally scheduled day.

71.4.16 Pregnancy/Parental Leave

Employees will be eligible for pregnancy/parental benefits. Coverage will be based on normal (scheduled reduced) earnings and normal (scheduled reduced) hours.

71.4.17 Unemployment Insurance Contributions

This is based on gross earnings (which includes overtime premiums, shift differential, etc.).

71.4.18 Canada Pension Plan (CPP)

CPP contributions are based on gross earnings.

71.4.19 Workers' Compensation Benefits

Entitled to 90% of normal weekly net earnings, plus a supplementary grant (total is 100% of normal weekly net earnings).

71.5 Termination of the RHOW Agreement

The initial period of a RHOW arrangement will be considered to be a trial period. The length of the trial period is to be determined by the parties but will not normally be longer than 1 year. If problems are encountered during this period, the employee(s) and the supervisor will attempt to find a solution(s). In the event that these efforts are not successful the RHOW arrangement can be cancelled by either party with 30 days' notice.

After the trial period, situations may arise where the RHOW is no longer working or the workload has increased or decreased. In such situations alternate arrangements can be tried. These could include offering additional hours/days (if there is some) to the RHOW employee, or advertising another RHOW arrangement to make up any difference.

In situations where the workload increases, the employee working the reduced hours will have the first option of working the additional hours. The employee could choose not to work the additional hours. If satisfactory alternative arrangements are not found, Article 64 will be applied.

An employee who wishes to terminate the arrangement has the same rights to vacancies as full-time employees. If unsuccessful in obtaining another position or in negotiating a new arrangement with Management, and the employee terminates the arrangements, the employee will be considered to have resigned from Hydro One.

(SAMPLE) REDUCED HOURS OF WORK AGREEMENT

To: _____ Department: _____

Effective date: _____

Type of Arrangement: Individual Job Sharing Temporary Work

The following information is pertinent to your Reduced Hours of Work Agreement with Hydro One.

1. Hours of work:

_____ days (_____ hours) per week, _____ hours per day.

2. Salary:

Weekly salary will be \$ _____ per week based on scheduled reduced hours of _____ per week at Schedule _____ Grade _____.

3. Health and Dental Benefits:

Indicate, by circling the appropriate "yes" or "no", whether or not you are exercising the option of receiving full benefit coverage for semi-private hospital coverage, extended health benefits, and/or dental benefits, using payroll deductions to reimburse Hydro One for the cost consistent with the appropriate proration. Should you elect health and/or dental benefits, the monthly cost will be as follows:

Elected Coverage:

Semi-private hospital coverage _____%\$_____ Yes / No

Extended Health Benefits _____%\$_____ Yes / No

Dental Benefits _____%\$_____ Yes / No

4. All other terms and conditions will be in accordance with the Article on Reduced Hours of Work for Society Represented staff.

The trial period will be for _____ months. The parties agree that the agreement can be terminated with one month's notice during this trial period in the event the arrangement is unsuccessful.

If you agree with the conditions set out above, please sign one copy of this agreement for your Personnel File. Also, please indicate if you wish to be covered by any, or all, of the above health and dental benefits.

Manager: _____ Employee: _____

Date signed: _____ Date signed: _____

cc: Human Resources office Society Unit Director

71.6 Responsibilities

The Employee(s):

The employee(s) should discuss his/her interest in a Reduced Hours of Work agreement with the manager/supervisor. An employee who wishes to work Reduced Hours should prepare a proposal for doing so. The proposal should include a current job description and ways in which the job requirements could be met under a Reduced Hours of Work agreement. It should include suggestions for methods of communication among Regular staff members, their managers/supervisor, customers and clients with whom the job interfaces, as per the Guidelines (Section 71.3).

The Manager/Supervisor:

The Manager/Supervisor is responsible for determining if a Reduced Hours of Work agreement is appropriate and in certain instances may initiate action to implement such an arrangement. The Manager/Supervisor will discuss the possibility of a Reduced Hours of Work agreement with interested employees to assist them in establishing appropriate arrangements. The Manager/Supervisor will identify issues specific to the job which need to be addressed, inform employees of their entitlements and approve the proposed Reduced Hours of Work agreement after the appropriate review.

The Manager/Supervisor is responsible for ensuring that the productivity in the work unit does not deteriorate as the result of a Reduced Hours of Work agreement. If productivity is seen to decline, the supervisor should work with the incumbent(s) to identify ways to improve the situation.

72 PEAK DEMAND HOURS ARRANGEMENTS

72.1 Intent

The intent of this Article is to establish a framework of treatment of employees who by the nature of their jobs, are likely required to work more than their normal work week and/or hours different from their normal hours during peak work load periods of the year, and less than the total hours in a normal work week during other parts of the year.

The guidelines for the application of this Article are contained in Appendix V.

Once it has been decided to apply this Article within a business unit, Management will meet with the Society to determine how best to apply these guidelines in their particular situation. The parties are not required to rigidly adhere to the guidelines in Appendix V and may revise them as they deem appropriate.

Either party may refer unresolved items to "interest" arbitration for resolution.

72.2 Process

The parties will develop a design for the Peak Demand Hours Arrangement in local areas using Appendix V as a guideline, including an implementation plan for the arrangement. That plan could involve staffing the arrangement with volunteers on a test basis. The volunteers would have to volunteer for a full 12-month cycle. The fact that an individual did not volunteer will not negatively reflect on his/her performance evaluation. The

results of that test application could be reviewed by the parties. This review might result in revisions to the arrangement.

It is expected that ultimately the arrangement would become a local mid-term agreement.

73 WORK SHARING

- 73.1 "Work sharing" occurs when sufficient members of a work unit agree to work fewer hours for reduced compensation in order to accommodate a temporary reduction in work load and to help maintain employment continuity in the event of an adverse impact situation under Article 64 - Redeployment, Surplus Staff Procedure and Change of Employer.
- 73.2 Work sharing is a temporary arrangement. A work sharing arrangement will normally not exceed one year in duration but can be extended by mutual agreement. Beyond a period of one year, a work share arrangement will normally be governed by the terms and conditions of Article 71 - Reduced Hours of Work (RHOW) Arrangements.
- 73.3 The Society will be involved in the discussion and negotiation of the work sharing arrangement.
- 73.4 The size of the work unit involved in the work share will be the subject of joint agreement between Hydro One and the Society. The agreement of the employees participating in the work sharing arrangement must be obtained prior to implementation. A sufficient number of employees in the work unit must participate in order to make the work share a viable working arrangement.
- 73.5 Either party to a work sharing arrangement will have the right to terminate it with 30 days' written notice. Following termination of a work sharing arrangement, the previous hours of work arrangement will be reinstated. Reduction in the number of employees in a work sharing arrangement through attrition, promotion, etc. will result in a joint review in order to ascertain the continued viability of the work share.
- 73.6 Employees participating in a work sharing arrangement remain regular employees.
- 73.7 Reduction in hours of work pursuant to a work sharing arrangement will not exceed 20% of regular hours and will be matched by an equivalent reduction in salary for a maximum of one year.
- 73.8 Employees participating in a work sharing arrangement will retain full benefits coverage during the term of the work sharing arrangement up to a maximum period of one year.
- 73.9 Pension, life insurance and LTD coverage will continue to be calculated against regular base earnings during the term of a work sharing arrangement up to a maximum period of one year.
- 73.10 Employees will continue to participate in the step progression process while participating in a work sharing arrangement.
- 73.11 Employees will not be declared surplus while participating in a work sharing arrangement. This section will be suspended during the operation of Article 64 -- Employment Continuity.

74 ASSIGNMENT OF NON-BARGAINING UNIT WORK DURING A STRIKE/LOCKOUT

Normally, Hydro One shall not assign an employee to perform non-bargaining unit work unless this work is essential work. It is agreed that the following provisions govern the assignment of essential work, ordinarily performed by employees in another bargaining unit, to Society-represented employees in the event that the members of that bargaining unit are in a lawful strike/lockout situation.

- 74.1 If a job/function is not performed, it is considered “essential work” if it would result in:
- a) a dangerous or unsafe situation for employees or the public;
 - b) a threat to the environment;
 - c) damage to equipment, systems or property;
 - d) the violation of licenses, regulations or other statutory requirements as applicable in (a), (b) and (c) above;
 - e) activities going undone which are required to support employees who are performing essential work in accordance with (a), (b), (c) and (d) above;
 - f) such other condition or concern as may be reasonable in the circumstances.
- 74.2 The process for identifying and assigning work will be a joint process involving a Management representative(s) designated by the Business Unit and the Society **representative** /designate(s) of the Business Unit. As a part of this process, an employee will advise the Management representative(s) and the Society **representative**/designate(s) in a timely manner as to whether he/she will accept the tentative work assignment. Due consideration will be given to family or extenuating personal circumstances raised by an individual employee prior to assigning essential work.
- 74.3 Requests to employees to accept essential work assignments will contain as much information about the assignment as possible, such as work location and training schedules. It is expected that Management will request work assignments as close to employees’ home locations as possible.
- 74.4 In the event that the Society claims that an activity is not “essential”, it may make a claim before **Robert Herman, or if he is unavailable, a mutually agreed** facilitator/arbitrator, who shall make a ruling on an expedited basis.
- 74.5 Hydro One may assign work involuntarily to Society-represented staff if no MF/ESR or qualified Society volunteers are available. There is no obligation to assign MF/ESR before seeking a Society volunteer.
- 74.6 Any proposed shift schedules which may be worked by Society-represented employees during assignment to non-bargaining unit work shall be reviewed by the appropriate Society **representative**/designate prior to the official issuance of the shift schedule.
- 74.7 Employees assigned to essential work will have the appropriate skills and training to perform the duties.
- 74.8 The terms and conditions of compensation for performing essential work are as follows:

74.8.1 General

- 74.8.1.1 All policies and practices and terms of the collective agreement which normally apply to Society-represented staff will continue to apply during a strike/lock-out unless modified, replaced or set aside in accordance with this Agreement.
- 74.8.1.2 All employees, including employees not assigned to work of another bargaining unit, will continue to receive their normal pay rate, including **step placement**, for their regular job.
- 74.8.1.3 For those employees who normally work shifts, all existing shift schedule arrangements, including time-balanced schedules, will be suspended from the date the work stoppage commences until the work stoppage ends. Compensation treatment will be equitable for all employees assigned to essential duties during the work stoppage.
- 74.8.1.4 All employees assigned to essential duties will be compensated based on a 35-hour work week. As a minimum, employees will continue to receive pay equivalent to their normal base earnings. For employees whose rate is normally based on a 37.5 hour or 40 hour week, a premium of 0.5 times the hourly rate will apply after 35 hours in a week until their normal hours of work (i.e., 37.5 or 40) is reached. Overtime beyond this will be compensated at the appropriate overtime rate.
- A positive time balance will be paid at the termination of the essential service assignment and a negative time balance will be written off.
- 74.8.1.5 For situations involving the crossing of picket lines, refer to Article 77 of the Collective Agreement (“Crossing Picket Lines of Other Unions”).

74.8.2 Compensation

74.8.2.1 Scheduled Work on Weekdays

- 74.8.2.1.1 Employees assigned to essential work will be compensated at straight time rates for the first seven (7) hours of work. The following seven (7) hours worked shall be compensated at time and one half subject to treatment for employees normally working 37.5 or 40 hours a week as outlined in Clause 74.7.1.4.
- 74.8.2.1.2 All hours worked in excess of fourteen (14) continuous hours shall be compensated at:
- a) double time; or
 - b) straight time plus an hour off for each hour worked in excess of fourteen (14) hours.

74.8.2.2 Scheduled Work on Saturdays, Sundays, and Statutory Holidays

74.8.2.2.1 All employees assigned to work shifts and scheduled to work on Saturdays and Sundays will receive straight time pay for the first seven hours worked as part of a normal scheduled work week.

74.8.2.2.2 All employees assigned to work shifts will receive straight time pay for the first seven hours worked on a statutory holiday as part of their normal scheduled work week. One hour off for each hour worked up to the statutory holiday credit (seven hours) will be given at a later date acceptable to the employee and Management.

74.8.2.2.3 The appropriate shift allowances as per Article 60 ("Shift Work [M&P, TMS]") and Article 61 ("Shift Work [FM&P]") will be paid to all employees required to work shifts.

74.8.2.3 Overtime Worked on Saturdays, Sundays and Statutory Holidays

74.8.2.3.1 Employees shall be compensated at time and one half for the first fourteen (14) hours worked on a Saturday.

74.8.2.3.2 Employees shall be compensated at double time for the first fourteen (14) hours worked on a Sunday.

74.8.2.3.3 Employees shall be compensated at double time for the first fourteen (14) hours worked on a statutory holiday. In addition, one hour off for each hour worked up to the statutory holiday credit (seven hours) will be given at a later date acceptable to the employee and Management.

74.8.2.3.4 All hours worked in excess of fourteen (14) hours on a Saturday, Sunday or statutory holiday will be compensated at:

- a) double time; or
- b) straight time plus an hour off for each hour worked in excess of fourteen (14) hours.

74.8.2.4 Time Off in Lieu

Employees may choose to be compensated in money, paid time off, or a combination of both for overtime worked while assigned to essential work. Scheduling of time off will be subject to agreement of the regular supervisor following the end of the work stoppage.

74.8.2.5 Travel Time

All travel time except time spent in travel when called out for any emergency overtime, will be compensated at straight time. Travel time for emergency overtime will be considered as overtime.

74.8.2.6 Expenses

74.8.2.6.1 Reimbursement will be made for appropriate out-of-pocket expenses incurred as a result of undertaking assignments during a strike situation. As such employees should not profit from reimbursement of expenses. Appropriate expenses include, but are not limited to, travel, meals, accommodation, cancellation of vacations, increased child care, and damage or loss of private property.

74.8.2.6.2 Expenses incurred during a temporary assignment will be submitted to the temporary supervisor for approval.

74.8.2.7 Essential Work Rating Scale

The Essential Work Rating Scale set out in Attachment A forms part of this Agreement and will be updated by the Joint Society-Management Committee, prior to application.

ATTACHMENT A

Essential Work Rating Scale

(A) WORKING CONDITIONS

Employees who are assigned to essential work will automatically receive credit for this factor. It is assumed the individual will be subjected to pressures, demands or unfavourable/hazardous working conditions which deviate significantly from the norms of the regular position. Employees/supervisors whose work responsibility will increase significantly as a result of a work stoppage may be assigned to special duties by their respective line management.

Payment per Day: \$30.00

(B) SHIFT ASSIGNMENT

Employees who are assigned to work a shift schedule will automatically receive credit for this factor for each day they work the shift schedule.

Payment per Day: \$30.00

(C) SPECIFIC ALLOWANCES

The following allowances are to compensate for situations where employees are required to perform essential work under specific working conditions.

An employee can receive compensation for only one of the following allowances.

24- Hour Availability

An employee who is required or elects to remain at a designated place, other than home (e.g., motel) in readiness to proceed immediately to the work location on a 24-hour basis.

Hours worked by an employee are included in this 24-hour period.

Payment per Day: \$46.00

OR

Remaining at Hydro One Facilities on 24-Hour Basis

An employee is required to remain/live at the work location for a 24-hour period.

Payment per Day: \$120.00

On-Call Service

An employee is permitted to remain at home following his/her scheduled work but is required to be available to work outside normal working hours.

(Reference: Article 57 - "On-Call Service")

Note: Employees who are required to live at the work location on a continuing 24-hour basis and will be paid for only those hours worked plus the applicable allowances.

75 TELEWORKING

75.1 Definition of Teleworking:

Telework refers to a Hydro One employee who:

- Is working out of an office in his or her home;
- Does not normally have another office at Hydro One;
- Is not working at home on an occasional or casual basis.

75.2 Collective Agreement Standards:

Where Hydro One determines that teleworking may be implemented, the following provisions will apply:

- a) The arrangement will be mutually agreed upon and will be documented prior to commencement of teleworking;
- b) The terms and conditions of the collective agreement will apply except where modified by agreement among Hydro One, the Society and the employee;
- c) Teleworkers will not be required to meet with customers or other Hydro One employees in their home;
- d) Teleworking arrangements will be voluntary, and are subject to cancellation as locally agreed;
- e) Teleworking will not change the employment status of the teleworker;
- f) Hydro One will provide appropriate health & safety advice and guidance to the teleworker;
- g) Hydro One will provide appropriate business and personal security advice to the teleworker;
- h) Hydro One shall provide all furnishings/equipment it deems necessary to meet job expectations;
- i) Hydro One will pay for additional insurance costs, if required;
- j) If the teleworking arrangement is terminated then the employee will be entitled to relocation assistance as provided in the collective agreement;
- k) It is agreed that the Society represents employees who fall within the Society recognition clause of the Collective Agreement and who are teleworking;
- l) Hydro One will provide in a timely manner the Society with the names, business phone number and business address of teleworkers.

75.3 Local Agreements

Local management, the employee and the Society will agree on these items as part of a local agreement:

- performance measures
- relevant terms and conditions (e.g. travel)
- training where appropriate
- sunset (with a minimum term)
- cancellation

76 DIRECT DEPOSIT

Employees will be paid weekly by means of electronic deposit. Bi-weekly pay will be implemented in accordance with LOU #9 (**Re: Implementation of Bi-Weekly Pay**). Time exceptions (e.g. overtime) will continue to have a time lag. Such time lag will only be for the period required for the effective operation of the time reporting centres and pay processes.

77 CROSSING PICKET LINES OF OTHER UNIONS

- 77.1 Employees will be required to cross picket lines of other unions in order to perform work at their regular/temporary work headquarters.
- 77.2 During such picket action, some flexibility with respect to the normal scheduled hours of work on the part of both Management and the employee is particularly desirable.
- 77.3 Normally, an employee who is prevented from arriving at work for his/her normal starting time due to such picket action will have his/her salary maintained without the requirement to make up the hours missed, subject to the following guidelines:
- a) An employee is expected to make a reasonable attempt to arrive at work at their normal starting time.
 - b) If an employee who is late for work should have been able to cross the picket line without being late, the no work - no pay principle will apply.

78 THE PROVISION OF FRENCH LANGUAGE SERVICES

78.1 Designated Positions

Hydro One will designate positions that require French language capability, to the extent required by the Act. Hydro One shall determine the actual number of positions to be designated and which positions will be designated.

Changes to the designated positions require joint agreement between the local Contact Supervisor/Human Resources Manager and the **applicable Society representative**. Whenever a change is made to the designated positions list, the Contact Supervisor/Human Resources Manager will provide written notification of the addition to the Society office and Labour Relations, Hydro One Human Resources. Labour Relations, Hydro One Human Resources will issue an up-to-date version of the designated positions list annually to the Society. A position can only be removed or modified when it is vacant.

78.2 Job Security

The implementation and operation of this Article will not result in any declarations of surplus, lay-offs, displacements, forced geographic relocations or financial losses.

78.3 Training

Hydro One will not impose any mandatory training for the purpose of complying with the Act. Any person wishing to take optional external training to obtain French language capability will be provided 100% financial support, so long as the request is in accordance with Article 83 - Extramural Training. In locations where extramural training

in French is not available, Hydro One will provide, at no cost to the employee(s), self-paced learning packages in order to assist interested staff to become qualified in French.

78.4 Posting and Selection

French language capability is deemed to be a legitimate selection criterion, in addition to the normal selection criteria, for officially designated positions. The job documents for designated positions will not be amended to include French language proficiency as a duty and/or evaluation factor pending future discussions with the Society.

A notice of posting for a designated position will contain the following wording:

"This position requires the ability to communicate in French. This ability is deemed to be a qualification for the purposes of selection."

French language capability will only be used as a selection criterion when the number of qualified incumbents in a designated position falls below the number specified in this Article. Specific qualifications and requirements must be posted and reasons given for non-selection in writing.

In cases where a location has more than the required number of qualified incumbents in a designated position, the officially designated employee(s) shall be those who are senior and qualified.

78.5 Surplus Staff

When a surplus employee applies to a designated position she or he shall receive the selection priorities established in Article 65 to the extent that the organizational unit retains the capability to meet the requirements of the Act.

78.6 Allowance

Hydro One will pay an allowance of \$18.00 gross weekly. It is recognized that the allowance may be paid to all qualified employees in a designated position in a location, rather than just the employees who officially occupy the designated position. This allowance is the same regardless of the number of hours an employee works per week.

The allowance will be paid only while the incumbent is in a designated classification. The payment of this allowance will cease once the employee has been absent for two months. Transfer to an undesignated position, or removal of a position from the designated positions list, will cause immediate stoppage of the allowance.

An employee who relieves in a designated position must have the French language capability required by the position in order to receive the allowance.

79 SPECIAL CLOTHING

- 79.1 Employees are responsible for providing, at their own expense, suitable clothing for the performance of their regular duties. Subject to certain conditions, outlined below, special clothing may be obtained at the expense of Hydro One for issue to employees.

- 79.2 Hydro One will make bulk purchases of certain types of work clothing, for resale to employees, on the most favourable terms possible.
- 79.3 A limited number of rainproof coats and hats may be obtained and kept available at construction headquarters etc, for persons who normally work indoors, but who are occasionally required to work out of doors under adverse weather conditions.
- 79.4 Safety items that are designed exclusively for such safety purposes will be provided to employees required to perform certain types of work, at no cost to the employee.
- 79.5 All clothing issued by Hydro One will remain the property of Hydro One. Employees may be required to replace item(s) lost or destroyed as a result of their own carelessness.
- 79.6 Staff **who are required by the Company to wear safety footwear** will be reimbursed as follows:
- Safety boots/shoes - 50% of actual cost to a maximum of \$75/pair;
 - Electric Shock Resistant Footwear - **100% of actual cost to an annual maximum of \$250.00.**
- 79.7 Requests for special items of clothing not specifically mentioned, but which might be reasonably supplied under the conditions set out above, will be considered, each case on its own merits. Such clothing must be kept available for any Hydro employee who may require it for Hydro One work.

80 PAYMENT FOR USE OF PERSONAL VEHICLE

- 80.1 Where an employee is authorized to use his/her personal vehicle for Hydro One related business/travel, the rate of reimbursement will be based on the Private Transportation Component of the Canadian CPI as reported by Statistics Canada.
- 80.2 Future increases of one cent/km will occur with each additional 10% increase in the Private Transportation Index - 1986 = 100. A decline in the Index below a previously surpassed trigger point for two or more consecutive months will result in a reduction by the appropriate amount of the rate paid.
- If the Hydro One business/travel involves the hauling of household trailers, an additional \$0.09/km will be paid. For the hauling of smaller trailers (Camper, Ski-doo, boat etc.), the amount will be \$0.03/km. The above rates will apply on a province-wide basis.
- 80.3 By virtue of receiving the above kilometre rates, the employee is responsible for any expenses incurred involving his/her vehicle while on Hydro One's business. This would include such items as insurance premiums, license fees, traffic/parking violations, maintenance costs, any repairs or replacement of parts, fuel, lubricants and the like. The employee is further responsible for informing his/her insurance company that the vehicle is being used for business purposes, and for paying any additional premium that the insurance company deems fit.
- 80.4 An employee driving his/her personal vehicle on Hydro One business must have a minimum of \$1,000,000.00 liability insurance.

81 BUSH FIRE FIGHTING AND VOLUNTEER FIRE BRIGADES

81.1 Employees who are conscripted by the Ministry of Natural Resources for bush firefighting or employees who participate in local Fire Brigades may be granted time off work with pay subject to the following conditions:

81.1.1 Regular and Probationary Employees - Bush Fighting

Regular and probationary employees will have their normal base pay maintained.

81.1.2 Temporary Employees - Bush Fighting

Temporary employees will have their normal base pay maintained for a maximum of five working days or to the end of the intended employment period, whichever comes first. If the firefighting period extends beyond five working days, the employee will be placed on an unpaid leave of absence until he/she returns to work, or to the end of the originally intended employment period.

81.1.3 Volunteer Fire Brigades

Employees who are registered volunteer fire fighters may be granted leave of absence with pay if called to service while at work.

82 EXTREME WINTER WEATHER CONDITIONS

In the event of extreme winter weather conditions, employees will normally receive pay for hours worked.

82.1 Make Up Time

Employees who, due to extreme winter weather conditions, arrive late, miss work or receive approval to leave early, may seek approval to make up lost time by working back the missed hours by:

- a) using a vacation day;
- b) using a floating holiday;
- c) using a lieu day (or banked time where applicable).

82.1.1 For employees who receive approval to work back the lost time, their pay will be maintained for the number of normal scheduled daily hours lost, provided there is work available to be performed.

82.1.2 Employees will work at straight time rate of pay while working back the lost hours.

82.1.3 Time lost due to extreme weather conditions will be worked back within the pay week period. Any lost time not worked back by the end of the pay period will be deducted from the employee's pay.

82.1.4 Senior Management at the location have the discretion to maintain some or all of an employee's normal base pay if they are satisfied that every reasonable effort was made to report to work on time.

82.2 Closure

Employees included in an authorized closure will have their pay maintained for the number of hours between closure and normal quitting time.

82.3 Stranded Employees

Employees who are confined at a regular work location which is an acceptable shelter, will have their normal base pay maintained for their normal scheduled hours of work.

82.3.1 Payment for time worked in excess of normal scheduled hours will be made only if approval was given in advance for such work.

82.3.2 Employees will be reimbursed for reasonable expenses for food and shelter, and will have normal base pay maintained when stranded away from their residence headquarters while on Hydro One business.

82.3.3 Employees working in a location where a minimum level of acceptable shelter does not exist shall be considered as still being at work until acceptable shelter can be reached.

83 EXTRAMURAL TRAINING

In order to enhance a regular employee's job performance now, or in the future, Hydro One may provide financial support for external training activities consistent with Hydro One Policy, subject to the following conditions:

- a) the employee is expected to obtain prior approval from his/her supervisor prior to registering in the training course;
- b) the external training should normally be completed outside normal working hours. Where this is not possible, time off with pay to attend external training programs will be at the discretion of the employee's supervisor. In no circumstances will the external training exceed six weeks if the employee is required to be absent from work.
- c) 100% of reasonable costs paid by the employee for external training courses will be reimbursed where:
 - the training course will create or maintain the employee's capability related to current job performance;
 - the training course develops an employee's capability for a position identified in a succession, retraining, or redeployment plan.
- d) 75% of registration/tuition fees and learning material costs will be paid for external training courses which improve an employee's capability for future jobs within Hydro One.
- e) An employee will be reimbursed for reasonable costs subject to:

1. Satisfactory course completion and a passing grade where applicable, except where the course is taken upon the request of Management.
2. Costs will not be reimbursed if the employee has given notice of resignation prior to completion of the course.
3. All approved costs will be reimbursed for courses which cannot be completed due to the employee being transferred to another location.

84 MEAL EXPENSES

Normally, employees are expected to provide their own meals. Where there is a requirement for a meal as a result of legitimate business functions, employees will be entitled to be reimbursed for reasonable out-of-pocket expenses.

85 VOLUNTARY SEVERANCE (NON-SURPLUS)

- 85.1 Employees who wish to discuss a voluntary severance arrangement with Hydro One will be advised by Hydro One to (a) seek independent legal counsel and (b) seek advice from the Society.
- 85.2 Hydro One will also notify the Society of any employee with whom it is discussing a voluntary severance arrangement and disclose the details of the discussions in advance of finalizing such a severance arrangement with the employee.

86 SECURITY CLEARANCES

- 86.1 The Society acknowledges and agrees that the Employer has the right to perform appropriate Personal Risk Assessments (PRA) on existing, regular employees when required for valid reasons. Where the Employer has reasonable cause to remove an employee from his/her position as a result of an employee's inability to pass a PRA, the employee will be transferred to an equivalent position for which a PRA is not required with no loss of salary.

PART XIV - ADMINISTRATION

87 REPRESENTATION ON HYDRO ONE COMMITTEES

The parties recognize the roles and responsibilities of appointees to committees and task forces, i.e., as a representative of Management on the one hand, and the Society, on the other. When an employee represented by the Society is appointed by Management, his/her responsibility is to Management. When he/she is appointed by the Society, his/her responsibility is to the Society. This role distinction should be made clear at the time of appointment. Notwithstanding the above, and in keeping with Subsection 2.4 (Supervisory Employees - Code of Ethics), Management will endeavour to appoint its representatives having regard to the Society's interests in effective representation.

88 GUIDELINES FOR SOCIETY REPRESENTATIVES ON JOINT/TRIPARTITE TEAMS

The following guidelines apply when employees are appointed by the Society to serve as Society representatives on joint/tripartite teams. They do not apply when employees are appointed by the employer to serve on teams as an employment assignment.

- 88.1 ***Employees have a legitimate role to play in the development and operation of joint/tripartite teams at Hydro One.***
- 88.2 ***When employees representing the Society are to be included on a joint/tripartite team, they will be officially appointed by the applicable Society representative following discussions with the appropriate line managers. The Society will normally be provided with the team's terms of reference, including an estimate of the time required, as well as with selection criteria to assist in the selection of appropriate subject matter experts for the activities at hand. The Society will consider input provided by the employer concerning its selection of representatives to serve on a joint/tripartite team but retains the right to make the final appointment.***
- 88.3 ***Employees representing the Society on joint/tripartite teams will be given the opportunity to be involved in all aspects of the team activity; i.e., joint communications, joint training and education, etc.***
- 88.4 ***Performance appraisals should support participation on joint/tripartite teams. Toward that end, participation by employees on joint/tripartite teams should be considered in a positive light when conducting performance appraisals providing their contribution to the joint/tripartite team has been useful.***
- 88.5 ***Employees representing the Society will be reimbursed for reasonable costs related to participation in joint/tripartite teams by Hydro One.***

89 TRIPARTITE AGREEMENT ON JOINT HEALTH AND SAFETY COMMITTEES

Hydro One and the Society agree to adhere to the Tripartite Agreement below:

TRIPARTITE AGREEMENT ON JOINT HEALTH AND SAFETY COMMITTEES

PRINCIPLES OF AGREEMENT between the employer, the Power Workers Union and The Society concerning the establishment or modification of Joint Health and Safety Committees to

meet the requirements and intent of *The Occupational Health and Safety Act*, as amended by Bill 208.

89.1 Size and Composition of Joint Health and Safety Committees

That the size of JHSCs will be determined through discussions and agreement between the three parties.

That the PWU and The Society shall comprise a minimum of 75% of the JHSC membership with the relative percentage of PWU and Society JHSC members being determined by these two parties based on criteria including but not limited to representation by population and historical make-up. Neither union shall have less than 25% of the total number of Committee representatives nor more than 50%. Disputes regarding numbers shall be referred to the Executive level of the PWU and Society for resolution and if agreement is not reached, to an arbitrator mutually agreed upon by the parties for binding resolution.

That Management's Committee representatives will be from outside of PWU and Society jurisdiction.

That the status, rights and treatment of all representatives on the JHSCs will be equal.

That the meetings of the JHSC will be chaired on a rotating basis by the Co-Chair of each party represented on the committee.

89.2 Training and Certification

That all JHSC members will be trained and certified. Training and certification will be jointly determined and in accordance with legal requirements and the PWU and Society Authority to Stop Work Agreements, with the costs to be borne by the employer.

89.3 Policy Committee (Non-legislated)

That a corporate-level Health and Safety Policy Committee shall be established to participate in the formation and evaluation of health and safety strategy and policy, to resolve policy-level issues impacting on tripartite health and safety initiatives including the Work Protection Code and Corporate Safety Rules.

That the Policy Committee be comprised of an equal number of senior representatives from The Society, the PWU and Management.

That the parties will each select their respective committee members.

That the Policy Committee shall meet at least once per quarter.

That the employer shall provide the resources and training that the Policy Committee deems necessary with costs to be borne by the employer. Training development and delivery will be jointly determined.

That the Policy Committee shall receive a formal response to its input to policies/programming within 30 days.

89.4 Annual Experience Review

That each year, upon request by any one of the parties to this Agreement, an experience review be undertaken by the parties of the benefits and difficulties of implementation of the Agreement and the impacts of organizational changes.

89.5 Amendments to the Agreement

Amendments to the Agreement may be made at any time by the parties with mutual agreement in writing. If mutual agreement cannot be reached, the parties will refer to an arbitrator, mutually agreed upon by the parties, for binding resolution.

90 AUTHORITY TO STOP WORK

90.1 Definitions

"Where an Employee's health and safety is in immediate danger" (refer to **90.4.3**), "immediate danger" shall mean, "conditions that pose an immediate threat to life or health, or conditions that pose an immediate threat of severe exposure to contaminants such as radioactive materials which are likely to have adverse or cumulative or delayed effects on health."

90.2 Intent

"Responsibilities and Accountability" are intended to reinforce the fact that this is a joint policy for which both parties are jointly responsible, i.e. we are in this together.

90.3 Introduction

Effectively involving employees and Employers in joint health and safety committee activities can enhance workplace health and safety. Under the Occupational Health and Safety Act, the use of Joint Health and Safety Committees (JHSC) is part of the legislative process which has been labelled as the "Internal Responsibility System" (IRS). Within this participatory management concept, the JHSC's have been given specific rights and responsibilities under the Act such that, with their involvement, the right to know, the right to participate and the right to refuse unsafe work is further enhanced.

Hydro One and The Society of Energy Professionals ("the Society") agree that all unsafe work must be stopped. This Article on health and safety for the authority to stop work will further enhance the activities of the JHSC's and the IRS concept.

Changes to this Article can only be made by mutual agreement of the Joint Working Committee on Health and Safety. Where no agreement can be reached, the matter will be referred to the Issues Team for resolution.

90.4 Authority to Stop Work

90.4.1 Where a workplace is unsafe, a Certified Society and Management member of the local JHSC can jointly prevent the start of the work or stop the work.

90.4.2 Where there is a disagreement between the Certified Society or Certified Management member of the local JHSC that the workplace is unsafe, the issue shall be immediately presented to the local JHSC for review and resolution.

- 90.4.3 Where an employee's health or safety is in immediate danger, a Certified Society or Management member of the local JHSC can stop the work. After calling the work stoppage, the Certified Society or Management member must contact the respective counterpart immediately and seek to obtain joint agreement on the stoppage as soon as possible. If joint agreement cannot be reached, the issue shall be presented to the local JHSC for review and resolution.
- 90.4.4 In cases where the JHSC cannot resolve issues arising from 2 or 3 above, the Ministry of Labour Inspector shall be called in for resolution.

90.5 Training/Certification

- 90.5.1 The Society Joint Health and Safety Working Committee shall fully participate in the development of a specialized training program for all members of the Joint Health and Safety Committees.
- 90.5.2 The Society Joint Health and Safety Working Committee shall fully participate in the development, putting in place, and administration of testing and re-testing standards for all members of the JHSC's.
- 90.5.3 The Society Joint Health and Safety Working Committee shall fully participate in the establishment of a specific Training/Certification program for members of the JHSC's.
- 90.5.4 The Society Joint Health and Safety Working Committee shall fully participate in the development, implementation and administration of testing and re-testing standards for accrediting JHSC members into the Certification program. Such standards shall not be less than those established by the regulatory agencies or deemed to be equivalent to the intent of the regulatory standards.

90.6 Responsibility and Accountability

There shall be a shared responsibility and accountability by the Society and Management for the actions of their Certified members of the JHSC's.

90.7 Compensation and Discipline

It is understood that employees directly or indirectly affected by the application of this Agreement will not suffer any loss of wages or disciplinary action.

90.8 Decertification

Should a Certified member fail to act in good faith, the Society Joint Health and Safety Working Committee shall review the representative's action and make appropriate decisions.

Where there is disagreement regarding the action of the Certified member, the issue shall be taken to Issues Team for resolution.

90.9 Assessment

The Joint Working Committee on Health and Safety shall be responsible for assessing the effectiveness of this Agreement from time to time.

91 JOINT HEALTH AND SAFETY COMMITTEES

91.1 Hydro One will establish a Joint Policy Committee in which Society representatives are able to address the health and safety concerns of employees with Management of various levels depending on needs where jointly agreed.

91.2 All Society-represented employees are entitled to representation on joint health and safety committees and to associated training.

91.3 There are to be three levels of representation:

- Hydro One/Society level
- Corporate Health and Safety /Society working committee level (based on the attached Terms of Reference, agreed to on September 27, 1989 by the parties).
- Local workplace level health and safety committees

Terms of Reference - September 27, 1989
Joint Working Committee on Health and Safety

1.0 Goal

Provide recommendations to assist the Health and Safety Division in the development, implementation and evaluation of Hydro One employee health and safety policy and programs.

2.0 Personnel

Manager, Programming Department, Health and Safety Division and other Management staff as deemed necessary from time to time.

Chairperson of Society Health and Safety Committee and other Society members or a staff advisor to a maximum of five.

The Chair will rotate between the Manager of Programming Department and Chair of the Society Health and Safety Committee.

3.0 Function

Participate in the identification and resolution of problems and issues of Hydro One significance in employee health and safety policy and practice.

Participate in the development, promotion and implementation of Hydro One health and safety programs.

The Committee will meet quarterly or as mutually agreed.

Hydro One will pay the expenses related to jointly agreed projects undertaken by or on behalf of the Joint Working Committee on Health and Safety.

- 91.4 Hydro One agrees to consult with the Society regarding new health and safety policies and procedures and regarding changes to existing health and safety policies or procedures except where provided for by the legislation itself. The Society will be given a reasonable amount of time to comment prior to implementation.

92 PROBLEM SOLVING COMMITTEE

- 92.1 A Problem Solving Committee shall be established and constituted by Hydro One **Senior Management representatives** and the Society **Local** VP and Unit Directors. The Problem Solving Committee shall meet **upon request of either party and when mutually agreed.**
- 92.2 The Problem Solving Committee Oversight Committee shall consist of the President and CEO of Hydro One and the President of the Society and shall meet **upon request of either party and when mutually agreed.**
- 92.3 Negotiations between Hydro One and the Society shall take place through a body to which each party will appoint an equal number of representatives. Negotiations shall be conducted in good faith and both parties shall make every reasonable effort to reach agreement on matters of mutual interest as expeditiously as possible.

93 PUBLICATION OF COLLECTIVE AGREEMENT

All Society-represented staff should have personal access to a copy of the Collective Agreement. The preferred method is to provide access to this Agreement via an electronic basis. Where there is no electronic access the document could be distributed via disc.

Hydro One agrees to print sufficient copies for distribution to all elected Society representatives and to those employees without access to computer technology. The cost of printing the copies that are required (to be determined by joint agreement) will be shared on the following basis: 75% (Hydro One); 25% (Society).

94 USE OF HYDRO ONE COMPUTER FACILITIES

- 94.1 The Society may make use of any of the services provided by information technology organizations to Hydro One line units.
- 94.2 The Society will be treated identically to Hydro One line with respect to service standards, procedures and support.
- 94.3 The price charged for the service will be the published rates of the Computer Centre plus the charge for administration, referred to as General Overhead which may change.
- 94.4 Information regarding these services, e.g., technical support, manuals, billing structure, training, etc., may be obtained from information technology organizations.
- 94.5 The Society will seek approval from the appropriate authorities prior to accessing or attempting to access any line unit's application programs or data. Any infringement of this condition by a Society member will be grounds for cancellation of this Article.

- 94.6 The services provided under this Article are to be used only for the purposes of assisting in the conduct of normal Society business and for provisions of service to its members.
- 94.7 Society data and programs may be protected from access by others by taking advantage of existing password mechanisms. It is the Society's responsibility to make arrangements to utilize such mechanisms.

95 NOTE TO PART XV - APPENDICES

Hydro One and the Society have not amended all the Appendices in Part XV to reflect the separate collective agreement status of Hydro One. In particular, the Appendices dealing with the Voluntary Recognition Agreement and subsequent amendments are historic documents and, therefore, references to "Ontario Hydro" have been maintained. It is agreed, however, that the commitments, terms and conditions in these Appendices shall apply to Hydro One in the same manner as they were applied to Ontario Hydro, to the extent that they are applicable to Hydro One.

PART XV - APPENDICES

Appendix I - Re: Utilization and Advancement of Professional Engineers and Scientists

Ontario Hydro and the Society agree the following principles will govern the utilization and advancement of professional engineers and scientists in Ontario Hydro.

- 1.0 The terms "professional engineers" and "scientists" shall include the employees' categories identified in Attachment A.
- 2.0 The MP2/FMP12 level of work shall normally be considered as a developmental stage for professional engineers and scientists performing engineering or scientific work.
- 3.0 The MP4/FMP14 level of work shall be considered as the "normal expectancy" level for fully qualified and competent engineers, or scientists in Ontario Hydro. MP3/FMP13 may continue to be a "journeyperson" level for engineers and scientists in some areas of activity.
- 4.0 Every effort should be made to provide professional engineers and scientists with an opportunity for advancement to MP4/FMP14, when they are capable of performing work at this level and such work is available.
- 5.0 Where an individual has demonstrated the willingness and capability to advance, and where advancement is impeded by lack of opportunity in the work area, every effort should be made to assist the individual in career advancement. This could include specific action steps such as training, job transfers, and rotations which will provide greater promotional opportunity.
- 6.0 Greater emphasis is required on the screening of professional staff at an early stage in their careers for both their potential capability to perform work at the MP4/FMP14 level and their suitability for further employment in Ontario Hydro.

(signed by W.G. Morison for Management and F.R. Greenholtz for the Society, February 27, 1984)

ATTACHMENT A

UTILIZATION AND ADVANCEMENT OF PROFESSIONAL ENGINEERS AND SCIENTISTS

Professional Engineers

Incumbents of jobs with 600000 or 860000 occupation codes who are:

- a)** Licensed to practice engineering by the Association of Professional Engineers of Ontario (APEO)

or

- b)** University graduates in one of the following engineering disciplines:

Aeronautical Engineering (Aero Space, etc.)	Engineering General
Agricultural Engineering	Engineering Science (Physics)
Chemical Engineering	Geological Engineering
Civil Engineering	Mechanical Engineering
Electrical Engineering	Mining Engineering
Electrical Engineering	Metallurgy & Material Science
Electronics Engineering	Nuclear Engineering
Engineering Business (Industrial)	Water Resources Engineering

Scientists

Incumbents of jobs with 600000 or 860000 occupation codes who are university graduates in one of the Natural Sciences, the Applied Sciences, Mathematics or Computer Science and who are not classified as professional engineers.

**Appendix II - Re: Input To Association Of
Professional Engineers Of The Province Of
Ontario (APEO) Salary Survey**

It is agreed that the method of input to the APEO Salary Survey of Employers and the analysis and use of the survey shall be in accordance with the following.

1.0 Data Input

1.1 The salary rates input to the survey shall be the rates paid for normally scheduled hours of work.

1.2 Such salaries shall be input for all Ontario Hydro engineers at Bachelor and/or post-graduate levels in engineering disciplines, who are engaged in engineering or scientific work (incumbents of M&P 600000 series jobs and of FM&P 860000 series jobs, who are represented by the Society), including engineering trainees who are registered (or eligible for registration) by the APEO.

2.0 Method of Input

2.1 Level A

Engineers whose Bachelor graduation occurred during the current or two previous calendar years, who are not incumbents of jobs classified as MP4 and FMP14 or higher.

2.2 Level B

i) Engineers whose Bachelor graduation occurred during the third, fourth or fifth calendar year prior to the current year, who are not incumbents of jobs classified as MP4 or FMP14 or higher.

ii) Engineers in jobs classified as MP1 and FMP11 who have sufficient years of experience to exempt them from eligibility for input to Level A.

2.3 Level C

Engineers in jobs classified as MP2, MP3, FMP12 or FMP13 who have sufficient years of experience to exempt them from the requirement to be input to Levels A or B.

2.4 Level D

Engineers in jobs classified as MP4, MP5, FMP14, FMP15.

2.5 Level E

Engineers in jobs classified as MP6, FMP16.

3.0 Annual Relative Standing

Ontario Hydro data will be excluded from the APEO survey data when making comparisons of Ontario Hydro's position relative to the community.

(signed by J.R. O'Connor for Management and B.A. Green for the Society, November 29, 1984 - revised in 1992/1994 Collective Agreement)

Appendix III - Re: Amendment to the Voluntary Recognition Agreement (VRA)

In light of major changes that have occurred since the Voluntary Recognition Agreement (VRA) came into effect on January 14, 1992, including significant Corporate restructuring, the parties' agreement to conduct a joint internal relativity project, and the need to clarify the Society's historical jurisdiction, the Society and Ontario Hydro agree to replace Sections 1.0 and 2.0 of the VRA with Article 2 of their Collective Agreement as amended by the Framework Agreement dated October 4, 1994.

The parties further confirm that the terms of the VRA as amended in the Collective Agreement remain applicable in all respects, including the agreed upon dispute resolution processes, to all provincially and federally regulated employees, subject only to previously agreed amendments and this amendment.

As a result of renewal negotiations for the 1999-2000 Collective Agreement, the parties agreed to extend Section 9.0 of the VRA to the expiry of the Collective Agreement in operation on January 1, 2005.

As a result of renewal negotiations for the 2007-2013 Collective Agreement, the parties agreed to amend Section 1.0 of the VRA effective July 1, 2007 to delete the provision excluding persons on the basis that they are incumbents in jobs rated 335 points or more under the Plan A Job Evaluation Manual and replace it with the following:

New Exclusion Criterion:

Strategic Business Decisions

1. Responsibility for making significant decisions that will have a material impact on the Company's business and/or staffing (what work gets accomplished, how much is done, when it is done and by whom)
2. Responsibility for making significant business/strategy decisions that will have a material impact on how the Company's business is to be run
3. Items 1 and 2 above also apply to work done by consultants and service providers
4. Regular knowledge of high level confidential Hydro One information prior to its disclosure. No person shall be excluded simply as a consequence of preparing, analyzing or making recommendations with respect to the information

Represent the Company at External Forums

5. Responsibility for being a principal presenter at OEB hearings. No person shall be excluded simply as a consequence of being asked to testify as an ad hoc witness
6. Responsibility for deciding what substantive positions will be taken at the OEB
7. Company spokesperson in matters that affect Labour Relations

Appendix IV Re: Article 2 - Recognition Clause

Hydro One and the Society confirm the following understanding with respect to their agreement to amend Article 2 ("Recognition Clause") of their Collective Agreement:

1. The parties agree that the Voluntary Recognition Agreement (Attachment A), subsequent amendments to the VRA and correspondence between the parties concerning jurisdictional matters will be admissible in the event of any future interpretation disputes concerning the Society's recognition clause.
2. The parties agree that the intent of these amendments is to clarify the Society's historic jurisdiction as the exclusive bargaining representative for the broad mix of professional and supervisory employees that comprise the M&P/FM&P and TMS/TS/OSS/SEI salary classifications on salary schedules 01, 02, 03, 04, 05, 06, 07, 08, 09, 13 and 18 except where such persons are performing managerial functions or are employed in a confidential capacity. As such, these amendments constitute a reconfirmation by Ontario Hydro of the commitments made by D.B. MacCarthy regarding the Society's jurisdiction in his April 18, 1994 letter to P.T. Suchanek, Registrar of the Canadian Labour Relations Board.
3. The Society acknowledges that Ontario Hydro has consented to the deletion of the following subparagraphs from the bargaining unit description on the basis of the assurance of the Society contained in paragraph 4 below:
 - those persons included on the Executive Salary Roll and above;
 - employees whose full-time duties are security work;
 - employees in the Executive Office;
 - employees in the Office of the General Counsel and Secretary including the Law Division except Corporate Official Records Analysts, Corporate Archivists and Corporate Records Centre Supervisors.
4. The Society assures Ontario Hydro that this agreement, to delete the sub-paragraphs contained in paragraph 3 above, does not extend the previously agreed upon jurisdiction of the Society, except upon consent of the parties, beyond that jurisdiction identified in the Voluntary Recognition Agreement. However, should jurisdictional claims be made by any other bargaining agent for the classifications referred to in paragraph 3 above, the Society may assert a parallel or related claim.
5. The parties acknowledge that there are thirteen jurisdictional grievances filed by the Society pending resolution (listed in Addendum A) and that these amendments are not intended to prejudice the outcome of these disputes.
6. The parties acknowledge that the definition "associated employees" in Subsection 2.3.2 includes, but is not limited to, positions listed below, and other similar positions created in the future.

Occupation Code	Job Title	Salary Schedule	Salary Grade
748042	Vault Officer	01	01
748836	Recruitment and Training Officer	01	01
739055	Organization and Systems Analyst	01	01
748105	Recruitment and Training Officer	01	01
752215	International Project Administrator	01	01
741051	Co-ordinator - Area Office Practices	01	02
719010	LAN Administrator	01	02
741050	Co-ordinator - Customer Service Practices	01	02
748252	Assistant Training Officer	01	02
734075	Business Systems Analyst	01	02
753063	Trade Development Officer	01	02
741845	Transportation Field Co-ordinator	01	02
753847	Material Systems Officer	01	02
734080	Information Systems Support Analyst	01	02
739008	Regional Office LAN Administrator	01	02
623013	Materials and Procurement Services Officer	01	02
730844	Facilities and Services Analyst	01	02
759090	Team Leader - Transportation Planning	01	02
753860	Administrative Services Officer	01	02
752046	Business Planning Co-ordinator	01	02
729051	Transportation of Dangerous Goods Specialist	01	02
719009	LAN Administrator	01	02
734078	Information Systems Specialist	01	02
734079	Office Systems Analyst	01	02
748867	Business Systems and Training Officer	01	02
748850	Emergency Preparedness Officer	01	02
741817	Service Co-ordinator - Kipling Complex	01	03
741072	Co-ordinator - Lines Work Methods	01	03
729056	Building Maintenance Officer	01	03
748865	Field Training Officer	01	03
753403	Senior Employment Officer – Nuclear Operations	01	03
710007	Digital Mapping Co-ordinator	01	03
759026	Training Officer	01	03
741828	Operating & Maintenance Projects Co-ordinator	01	03
741827	Service Co-ordinator	01	03
729043	Building & Facilities Disposal Officer	01	04
741841	Production Co-ordinator	01	04
729014	Maintenance Specialist – Mechanical	01	04

(signed by B.R. Story and C.B. Cragg - October 4, 1994)

ATTACHMENT A

VOLUNTARY RECOGNITION AGREEMENT

This Agreement including the accompanying Framework Agreement, included as Schedule A, resolves all issues raised during proceedings at the Ontario Labour Relations Board, regarding the Society's Applications for Certification (dated November 5, 1986 and October 2, 1990) or otherwise arising as to the status of the Master Agreement as a Collective Agreement before such Board or the Courts. This Voluntary Recognition Agreement is entered pursuant to the Ontario Labour Relations Act and is acknowledged to be enforceable pursuant to that Act. The parties agree that the Memorandum of Agreement, June 19, 1991, known as the Letter of Understanding, is no longer in force or effect.

1.0 Recognition Clause

Pursuant to section 16(3) of the Ontario Labour Relations Act, Ontario Hydro agrees to recognize the Society as the exclusive bargaining agent for the "employees" defined as follows:

"All employees employed by Ontario Hydro in the Province of Ontario as supervisors, professional engineers, engineers-in-training, scientists, professional, administrative and associated employees save and except:

- a) those persons included on the Executive Salary Roll and above;
- b) employees in bargaining units for which any trade union holds bargaining rights as of the signing of this Agreement;
- c) those persons who perform managerial functions as distinct from supervisory functions. An employee is performing managerial functions if:
 - i) she/he performs managerial functions such as hiring, promotion, performance increase, discharge, etc. over other employees in the bargaining unit and;
 - she/he is required to spend the majority of his/her time performing managerial duties and;
 - she/he supervises at least seven (7) employees (directly or indirectly) on a regular and continuous basis.
 - ii) she/he supervises employees who are excluded from the Society under (c) (i), (d), (e) or (f);
- d) employees who are primarily employed in a confidential capacity affecting the terms and conditions of employment for Ontario Hydro staff;
- e) employees whose full-time duties are security work;
- f) employees who are members of a profession entitled to practice in Ontario and who are employed in a professional capacity where the Ontario Labour Relations Act excludes such persons from coming under the Act by virtue of their profession."

2.0 Clarity Notes

For the purposes of clarity, the bargaining unit set out above:

2.1 Includes:

- a) All regular, probationary, part-time and temporary employees whose functions are included in the classifications paid from Salary Schedules 01, 02, 04, 05, 07, 08, 09, and 18; and
- b) All employees paid from Salary Schedule 13 (Nurses), Salary Schedule 03 (System Control Operators) and Salary Schedule 06 (Helicopter Operator Supervisors), except employees excluded by virtue of 1.0 of this agreement, will be entitled to vote to determine if they wish to be represented by the Society. If the majority of eligible employees voting on any schedule vote in favour of being represented by the Society, eligible employees on that schedule will be represented by the Society. The vote will be conducted by the Society and Ontario Hydro by secret ballot.

2.2 Excludes employees in accordance with 1.0 (c) above as follows:

- a) M&P (Schedule 01) - in salary classification MP4 (or higher) rated by the Plan A Point System of Job Evaluation January 1988 ("Plan A"), or its equivalent, carrying "Nature of Supervision" Degree 4 (or higher) or its equivalent and "Numbers Supervised" Degree 3 (or higher) or its equivalent who normally supervise other Society represented employees.
- b) FM&P (Schedule 02) - who normally supervise other FM&P employees and who normally supervise at least seven (7) employees directly or indirectly.
- c) TMS and TS (Schedules 08 and 07) - who normally supervise other TMS or TS positions and who normally supervise at least seven (7) employees directly or indirectly.
- d) OSS (Schedule 05) - who normally supervise other OSS positions and who normally supervise at least seven (7) employees directly or indirectly.
- e) Supervising Electrical Inspectors (Schedule 09) - who normally supervise other SEI positions and who normally supervise at least seven (7) employees directly or indirectly.
- f) Area Managers.

2.3 Excludes employees in accordance with 1.0 (d) above as follows:

- a) Employees paid from Salary Schedule 01 rated under Plan A as having "Staff Responsibility" Degree 4 (or higher) or its equivalent and MP6 employees as having "Staff Responsibility" Degree 3 (or higher) or its equivalent.
- b) Employees in the Executive Office.
- c) Employees in the Office of the General Counsel and Secretary including the Law Division except Corporate Official Records Analysts.
- d) Positions currently listed in Agreement RS-1 dated October 11, 1990.
- e) Human Resource trainee positions on Schedule 04.

3.0 The grievance and arbitration procedure may be used to challenge any unreasonable, arbitrary or bad faith action taken by Ontario Hydro which results in the exclusion of any employee or position from the bargaining unit.

4.0 Arbitration

4.1 Future contract negotiations disputes shall be resolved by binding arbitration in accordance with Section 38 of the Ontario Labour Relations Act and the negotiating process for resolving such disputes shall be set out in full in the collective agreement.

The dispute resolution process shall be mediation-arbitration using the same individual as both the mediator and arbitrator.

The mediator-arbitrator shall consider the following issues as relevant to the determination of the award on monetary issues:

- a) a balanced assessment of internal relativities, general economic conditions, external relativities;
- b) Ontario Hydro's need to retain, motivate and recruit qualified staff;
- c) the cost of changes and their impact on total compensation;
- d) the financial soundness of Ontario Hydro and its ability to pay.

A mediator-arbitrator shall have the power to settle or decide such matters as are referred to mediation-arbitration in any way he/she deems fair and reasonable based on the evidence presented by representatives of Ontario Hydro or the Society in light of the criteria in items (a) to (d) and his/her decision shall be final and binding.

4.2 The parties will hereby undertake to develop appropriate internal comparisons, an external community for comparison and criteria for measuring total compensation by no later than September 1, 1992 and failing such agreement either party may refer the outstanding differences to an arbitrator for a final and binding decision. This undertaking and its referral to arbitration shall be enforceable under the Arbitrations Act.

5.0 No Strike/No Lockout

The collective agreement will recognize that the Society, employees within the scope of the bargaining unit, and the Corporation are pledged to the effective and efficient operation of Ontario Hydro and that they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production as long as the terms and conditions in section 4.0 continue.

6.0 Supervisory Employees

For the purposes of section 9.0, the parties agree that Supervisory positions are those that are not excluded under section 1.0 above and that satisfy the following criteria:

- a) Employees on Salary Schedule 01 who have under Plan A "Nature of Supervision" Degree 3 (or higher) or its equivalent;
- b) Employees on Schedules 07, 08, 02, 05 and 09 on condition they normally supervise other employees.

7.0 Enforcement

The primary method of enforcement of this agreement shall be pursuant to the grievance and arbitration provision of the parties' collective agreement. However, should the collective agreement not be in operation or applicable to the dispute, either party shall have the right to refer to final and binding arbitration any differences between the parties arising from the interpretation, application, administration or alleged violation of this Voluntary Recognition Agreement, including any question as to whether a matter is arbitral.

The arbitrator shall have all of the powers of an arbitrator pursuant to section 44 of the Ontario Labour Relations Act or the Arbitrations Act as the case may be.

Subject to the conditions of this Agreement, if a mediator or arbitrator is not appointed within 30 days of a matter being referred to mediation and/or arbitration, either the Society or Ontario Hydro shall have the right to refer the matter to the Minister of Labour or the Chief Justice of the Ontario Court of Justice and the Minister or Chief Justice shall appoint a mediator and/or arbitrator.

8.0 Selection of Mediators and Arbitrators

Mediators and arbitrators shall be selected from a list of mutually acceptable persons which are to be set out in the collective agreement and the costs of using them will be shared equally by Ontario Hydro and the Society.

9.0 Duration

The agreement shall come into effect on the date of ratification and shall remain in effect thereafter except for section 4.0 and 5.0 which may be terminated by written notice by either party not less than six months prior to the expiry of the collective agreement in operation on January 1, 2001 or any subsequent collective agreement. In the event that the Society provides notice of termination of sections 4.0 and 5.0, Ontario Hydro may require that the supervisors defined in this agreement form a separate bargaining unit for which the Society shall be recognized as the bargaining agent and for which there shall be a separate collective agreement. In addition, the Society shall continue to be recognized as the bargaining agent for non-supervisory staff defined in this Voluntary Recognition Agreement. Disputes on the identification of supervisors shall be submitted to a mutually-acceptable arbitrator for settlement. If the parties fail to agree to appoint an arbitrator, either party may refer the matter to the Minister of Labour or the Chief Justice who shall appoint an arbitrator. If Ontario Hydro provides notice of termination of sections 4.0 and 5.0, it shall continue to recognize the Society as representing all employees in one bargaining unit per this Voluntary Recognition Agreement and ensuing collective agreements.

In the event that either party desires to amend this agreement on or after January 1, 2001, it must notify the other party in writing not less than six months prior to the expiry of the collective agreement in effect on January 1, 2001 or thereafter six months prior to the expiration of any subsequent collective agreement. In such circumstances the parties will have the right, if either party so chooses, to appoint a mutually-agreeable mediator for the purpose of reaching a settlement of the issues and where there is mutual agreement the mediator shall arbitrate outstanding matters in dispute.

Notwithstanding the above, the parties may mutually agree to amend this agreement at any time.

10.0 Federal Jurisdiction

In the event that nuclear workers are found to be covered under the Canada Labour Code and the Society applies to represent these employees, Ontario Hydro will not oppose certification for any employee represented by the Society under this agreement.

11.0 Ratification

The Society Executive recommends acceptance of this agreement to its members and the agreement shall become effective upon the date of ratification. Persons eligible to vote will include all employees who will be represented by the Society under this Voluntary Recognition Agreement. The vote will be conducted by secret ballot.

12.0 Effective upon the date of ratification or as soon as reasonably practical, Ontario Hydro undertakes to make available to those employees excluded under 1.0(c) and 1.0(d) an enhanced Redress Procedure for Management Function staff, which includes the right to representation of their choice, and as a final step in the process, to binding arbitration by an external third party acceptable to the employee and to Ontario Hydro.

13.0 Until the terms of a first collective agreement are reached, Ontario Hydro agrees to adhere to the terms and conditions of employment found in the existing Master Agreement, Subsidiary Agreements and Memoranda of Understanding with respect to the agreed upon bargaining unit. Applicable sections of the Manual of Human Resources Policies and Procedures will act as a supplement to the aforementioned joint documents.

14.0 Effective the first month following the date of ratification, Ontario Hydro shall deduct dues from each employee in the unit and remit this amount to the Society forthwith.

This agreement was arrived at with the assistance of and under the auspices of George Adams as mediator.

[signed by C. Cragg for W. Hirst (Society) and W.S. O'Neill (Ontario Hydro), November 13, 1991.]

Schedule A

Memorandum of Understanding for a Framework Agreement

Ontario Hydro and the Society of Ontario Hydro Professional and Administrative Employees agree as part of the Voluntary Recognition Agreement to be found by the following principles and practices and agree that the negotiation and operation of all collective agreements ensuing from the Voluntary Recognition Agreement will be in accordance with this memorandum unless otherwise mutually agreed.

1.0 Society Interests vs. Corporate Interests

The object of this agreement is to promote harmonious relations between employer and employees consistent with the preamble of the Ontario Labour Relations Act and in recognition of the need for the successful accomplishment of the public purposes for which Ontario Hydro has been established as set forth in the Power Corporation Act and enunciated in the Corporate Direction.

The objective of the parties is to facilitate the peaceful adjustment of salaries and benefits, working conditions, issues of fair treatment, all disputes and grievances, and to prevent inefficiencies and avoidable expenses and to reduce unnecessary delays.

Ontario Hydro's mission is to contribute to the enhancement of the quality of life of the people of Ontario by serving their energy needs. The Society's mission is to strive to ensure the best rewards, career opportunities and working conditions for its members. The Society recognizes a responsibility for providing an essential service to the people of Ontario and in working towards the continued viability and continuity of Ontario Hydro as the provincial electrical utility. Both parties recognize the fundamental importance of service to the Corporation's customers.

The parties recognize that situations may arise where their missions, objectives, or actions come into conflict. These conflicts may impact on the bargaining unit and particularly on supervisory employees represented by the Society. The parties agree that supervisors will be able to participate fully as members and perform supervisory responsibilities without fear of reprisal or recrimination by either party.

Provided nothing in this Framework Agreement is intended to interfere with the exercise of lawful economic sanctions by any member of the bargaining unit or bargaining units as the case may be or by the Society itself should either party to the agreement elect to terminate sections 4.0 and 5.0 of the Voluntary Recognition Agreement.

2.0 Collective Agreement

The collective agreement between the parties will include sections 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, 8.0 of the Voluntary Recognition Agreement, in addition to section 1.0 of Schedule A and the principles set out in sections 3.0 to 7.0 as noted below.

3.0 Supervisory Employees - Code of Ethics

Ontario Hydro agrees to include supervisory employees in the bargaining unit on the condition that the parties recognize that supervisory employees will continue to exercise key functions in the control and operation of Ontario Hydro. As members of Ontario

Hydro's managerial staff, supervisors use judgment to express and make operative the decisions of Management. They are responsible for fostering a healthy work environment. The parties recognize the responsibility of supervisors to discharge their supervisory duties in good faith. The Society and Ontario Hydro will identify, minimize and/or avoid the conflicts/perceived conflicts of interest that may arise concerning the relationship between supervisors, the Society and Ontario Hydro.

It is recognized that supervisory employees may be disciplined for failure to act in good faith as a representative of Management and fulfilling their responsibilities including abuse of supervisory position and breach of trust.

3.1 Grievance Procedure

The collective agreement will have a grievance procedure which will recognize:

- access by either party for disputes arising from the administration of the Collective Agreement and from the application of section 1.0. If such disputes proceed to arbitration, the arbitrator will consider the principles contained in section 1.0;
- the role of supervisors in resolving disputes before they reach the formal procedure;
- that the Society agrees not to discriminate against supervisors who represent Management in Society grievances;
- that the Society will exclude supervisors directly involved in a particular grievance from the decisions on the referral of the grievance through the formal process;
- that supervisors will not act on behalf of the Society in matters associated with a particular grievance where the grievance has been lodged by another member(s) who reports to the particular supervisor.

4.0 Representation on Corporate Committees

The collective agreement will recognize the roles and responsibilities of appointees to committees and task forces, i.e., as a representative of Management on the one hand, and the Society, on the other. When an employee represented by the Society is appointed by Management, his/her responsibility is to Management. When he/she is appointed by the Society, his/her responsibility is to the Society. This role distinction should be made clear at the time of appointment. Notwithstanding the above, and in keeping with section 3.0, Management will endeavour to appoint its representatives having regard to the Society's interests in effective representation.

5.0 Selection of Supervisors

The collective agreement will incorporate the existing practices for selecting the "best qualified candidate" in filling supervisory positions.

6.0 Membership in the Society

The Society agrees to permit members to withdraw membership in the Society.

7.0 Dues Deduction (Rand Formula)

The collective agreement will provide for Society dues, as prescribed by the Constitution, or an equivalent amount, to be deducted monthly (or more frequently if agreed) by Ontario Hydro by compulsory payroll deductions from all Society-represented employees and to be forwarded to the Society on their behalf with a list of appropriate employee information.

The Society confirms it will respect the provision of section 47 of the Ontario Labour Relations Act with respect to bona fide religious convictions or beliefs.

(signed by C. Cragg for W. Hirst [Society] and W.S. O'Neill [Ontario Hydro], November 13, 1991)

Appendix V- Re: Peak Demand Hour Arrangements

The following are definitions and guidelines for the implementation of peak demand hour arrangements.

Definitions

Normal Work Week: For purposes of this Article, a normal work week will mean the total of the standard hours normally worked during a pay period, outside of the peak work load periods.

Normal Hours: Normal hours worked outside of a peak work load period (as per Article 70).

Peak Work Load Period(s): One or more periods during the year in which the expected magnitude or nature of the work to be performed reasonably requires employees to work more than their normal work week, and/or hours different from their normal hours. Peak work load periods may be the result of a need to minimize equipment downtime, or other factors which are expected to occur every year.

Peak Demand Workers: Employees who are likely required to work more than their normal work week, and/or hours different from their normal hours during peak work load periods, and less than their normal work week during other periods of the year.

Intent

- a) Peak demand workers may be required to work normal hours, or scheduled hours on a work and/or shift schedule which are different from their normal hours, and which, in total, may exceed their normal work week during peak work load periods. Scheduled hours worked in excess of the normal work week will be “banked” and taken as time off (consistent with the conditions outlined in this Appendix), during periods of the year when the work load may not require all of the normal hours available.
- b) Work and/or shift schedules, and all other administrative matters regarding the hours of work for peak demand workers will be determined within the business unit, subject to the conditions contained in this Appendix.
- c) The design of work and/or shift schedules and other hours of work arrangements will give consideration of the requirement to perform work in the most effective, efficient and safe manner.
- d) The design of work and/or shift schedules and other hours of work arrangement will give consideration of the need to maintain good working relationships within the affected group and the relativity to other employees not covered by this Appendix.

Conditions

- a) The peak work load periods will be declared prior to the start of the year for the entire year. The declared peak work load periods for the year will not be less than four weeks’ cumulative duration (or normal conditions for the employee will apply). The declared peak work load periods will not exceed 26 weeks of the year cumulative duration. For purposes of this Appendix, the year may be any designated fiscal year which will not be changed for the work group once established.
- b) Peak demand workers may be assigned to normal hours, work and/or shift schedules that average more than the normal work week during the declared peak work load

periods. Other articles in this collective agreement regarding shift work, hours of work, and standard hours do not apply during declared peak work load periods, except:

- Articles 60.3, 61.4, 62.2 and 62.3 regarding shift allowance for work schedules on weekends, and nights; and
 - special conditions for 12 hour shifts as per Article 62.6.
- c) Management will strive to provide at least seven days' notice of an assignment to a work or shift schedule that requires work outside of normal hours during the declared peak work load periods. However, any hours worked outside of normal hours without at least three days' notice will not be considered scheduled work for purposes of this Appendix.
- d) Work performed outside of scheduled hours is overtime and will be compensated at the appropriate overtime rate(s).
- e) During the declared peak work load periods, an amount equal to the number of scheduled hours worked each week in excess of the normal work week will be "banked". The banked time will be taken as time off at straight time during times of the year outside of the declared peak work load periods, subject to meeting work requirements. When possible, the time off will be scheduled by mutual agreement between the employee and Management. If work requirements have prevented an employee from taking his/her "banked" time off, the time remaining will be compensated as follows: for positive balances in the time bank remaining at the end of the year, the employee will receive payment at time and one-half for 50% of the hours and double time for the balance.
- f) An employee's base wages will be maintained throughout the year, regardless of the number of scheduled hours worked per week during the declared peak work load periods, or hours taken off at straight time from the time balance "bank" during other periods of the year.
- g) The design of work and/or shift schedules used during the declared peak work load periods will be flexible to meet work requirements and consistent with the limitations of the appropriate legislation. Specific rules to be adopted for the design of work and/or shift schedules for peak demand workers may include:
1. The length of a scheduled shift or extended work day cannot exceed 12 hours.
 2. No more than 48 hours of work may be scheduled (i.e., exclusive of overtime) in a week.
 3. The start of a scheduled shift or work period must be at least 24 hours following the start of the previous scheduled shift or work period.
 4. At least eight hours of time off will be provided between work periods including overtime.
 5. Although the content, preparation, costing and administration of work and/or shift schedules is the sole responsibility of the corporation, the preference of the majority of peak demand workers to be assigned in the affected work group will be considered in designing the work and/or shift schedule.
 6. Every attempt will be made to assign employees from those in the appropriate work group, to a work and/or shift schedule under this Appendix, on a voluntary basis. However, in the absence of sufficient qualified volunteers, the corporation may assign specific individuals to perform the work.

Appendix VI - Guidelines for Applying Burkett Overtime Award

As a result of continuing questions concerning the Burkett overtime award, the Society and Ontario Hydro have agreed to issue these guidelines to assist local representatives in interpreting this award.

Employees found eligible for compensation under this award are entitled to receive compensation equivalent to PWU overtime premiums for all overtime worked, retroactive to January 1, 1993. This entitlement applies to all PWU overtime premiums, including double time Saturdays, double time for all work performed outside of their first four clock hours after normal quitting time Monday to Friday inclusive and minimum payments for emergency and scheduled overtime. It does not apply to travel time outside of normal scheduled hours.

To determine compensation eligibility under this award:

First, determine which employees are eligible to receive the PWU equivalent overtime premium. A list of eligible employees should be developed locally using the statement of intent in Part A and the employee eligibility guidelines set out in Part B. Local Society representatives should be involved in developing the list of eligible employees to minimize the possibility of disputes.

Second, decide whether an employee deemed eligible in step one will be compensated with PWU equivalent overtime premiums on an on-going or on an assignment-by-assignment basis. This decision is Management's prerogative. If the decision is made to compensate on an assignment-by-assignment basis, the guidelines set out in the statement of intent in Part A and the guidelines in Parts C and D should be followed to determine when an eligible Society-represented employee qualifies to receive the applicable PWU equivalent overtime premium. Local Society representatives should be involved in the development of local adaptations of these guidelines to ensure fair and consistent employee treatment and to minimize disputes.

Part A - Intent of the Award

The intent of the award is to correct the internal "relativity rub" that arises when Society-represented staff are required to directly supervise or work beside PWU-represented employees performing overtime work in a field environment or facility while receiving less providential overtime provisions than these employees. It is not intended to address internal relativity problems other than those that specifically arise when members of both employee groups work overtime.

Part B - Conditions of Employee Eligibility

1. The following conditions must be satisfied before an employee is eligible to receive award compensation:
 - a) an employee must work in a field environment/facility (=“field condition”);
 - and
 - b) he/she must directly supervise or work beside PWU-represented employees (=“interface condition”).

2. To meet the “field condition”, an employee must be “directly involved in the operations, maintenance or construction of production, transmission, or distribution facilities”.
3. “Head office” refer to non-production, non-transmission or non-distribution facilities and, as of January 1, 1993, includes the following locations: 700 University, 393 University, Murray Street, College Park, Place Nouveau and the Atrium. When performing overtime work at these locations, employee do not meet the “field condition”. Local Society and Management representatives should assess whether or not employees, when performing overtime work at other locations, meet the “field condition” on a case-by-case basis, by examining the nature of the employee’s work in light of the statement of intent in Part A and the guidelines contained in this section. In the event of disagreements, the matter should be referred to the Issues Team.
4. Employees whose regular work headquarters are “field” locations (i.e., those *not* included under guideline #2 above) and who train PWU-represented staff meet the “field condition”. Employees who satisfy this condition include those who work at the Orangeville C&D Centre and the Nuclear and Thermal training centres.
5. Employees whose overtime work at their regular work headquarters does not meet the “field condition” (e.g., head office staff) shall be deemed to meet this condition for overtime work performed at “field” locations when they directly supervise or work beside employees involved in the operation, maintenance or construction of production, transmission or distribution facilities (e.g., research, telecommunications or information systems work performed at stations).
6. Employees “work beside” PWU-represented staff if they work at the same time as PWU-represented staff on the same projects/task assignments and this is a normal feature of their work and necessary to carry out their job responsibilities (e.g., P&C Engineers). To determine employee eligibility in this regard, the nature of the Society-represented employee’s job responsibilities, rather than the frequency of his or her actual contact with PWU-represented staff, should be the primary consideration.

Part C - Conditions That Trigger Award Compensation

(Management has the discretion to compensate employees who are deemed eligible under Part B above with the equivalent to PWU overtime premiums on an on-going or on an assignment-by-assignment basis. If Management chooses to compensate on an on-going basis, the sole condition that must be satisfied for award compensation to trigger is the eligible employee’s performance of overtime work. If Management chooses to compensate on an assignment-by-assignment basis, then the guidelines below apply. NB. An individual guidelines does not stand alone: all conditions set out in this Part must be satisfied before an eligible employee qualifies for award compensation.)

1. Both the Society-represented employee and the PWU-represented employee whom he/she supervises or works beside must be on overtime. Example: if a Society-represented employee who normally works days Monday to Friday works on a Saturday with a PWU-represented employee who is working on his/her normal scheduled shift (and does not work beyond the scheduled hours), the Society-represented employee does not qualify for award compensation.
2. Award compensation applies to the period of time when the Society-represented employee is “rubbed” by an unfavourable overtime premium differential. Example: if a Society-represented employee who normally works days Monday to Friday works on a Saturday

from 7:00 am to 3:00 pm with a PWU-represented shift employee (for whom the Saturday is a scheduled work day) whose shift ends at 7:00 am but who continues to work (on overtime) until 3:00 pm, the Society-represented employee qualifies for double time from 11:00 am until 3:00 pm, i.e., when the PWU-represented employee received double time for overtime work.

3. The presence of a Society-represented employee for the overtime in question must be necessary for the work to progress (i.e., if the employee was not there, then the task could not proceed). In most cases, this condition is met if the other conditions set out in the Part are also satisfied.
4. A direct supervisory or "working beside" interface must exist between Society-represented and PWU-represented employees during the overtime in question. The mere presence of a PWU-represented employee on overtime at the same location and at the same time as a Society-represented employee is working overtime does not trigger the award. Example: if a number of eligible Society-represented supervisors work overtime at the same time as PWU-represented employee works overtime, only the supervisor to whom the PWU-represented employee reports during the overtime in question qualifies for award compensation.

Part D - Clarifications

1. Even if only one PWU-represented employee is on overtime for a particular assignment, and the other (PWU-represented) members of his/her crew or task group are not, assuming the other conditions are met, the Society-represented employee on overtime with him/her qualifies for award compensation.
2. Normal shift turnover work of less than 30 minutes does not qualify for coverage under this award, but rather is compensated in accordance with Article 62 ("Shift Turnover") in the Collective Agreement. Shift turnover work of 30 minutes or longer performed outside of normal working hours, however, as well as work other than shift turnover work an employee is required to perform prior to normal starting time are eligible for compensation under this award provided that: a) the employee directly supervises or works beside a PWU-represented employee; and b) both are on overtime; and c) an overtime premium rub exists.

(dated February 28, 1994)

Appendix VII - Default Units of Application

(See Article 64.10.1.5)

<i>Divisions (Default)</i>	<i>Business Unit (Default)</i>
<ul style="list-style-type: none"> <i>*Network Operating</i> <i>*Project Development & Engineering & Project Management</i> <i>*Asset Management/Network Development</i> <i>*Information Systems Division</i> <i>*Construction</i> <i>*Telecom</i> 	<ul style="list-style-type: none"> <i>Planning & Operating</i> <i>Engineering & Technology</i>
<ul style="list-style-type: none"> <i>*Remote Communities</i> <i>*Stations/CMS</i> <i>*Forestry</i> <i>*Lines</i> <i>*Technical Services/Quality Assurance & Operations Support</i> <i>*Health, Safety & Environment</i> 	<ul style="list-style-type: none"> <i>Remote Communities</i> <i>Operations & Maintenance</i> <i>Health, Safety & Environment</i>
<ul style="list-style-type: none"> <i>*Finance (Corporate Finance, Treasury & Risk, Audit, Business Planning, Pensions, Regulatory Affairs, Corporate Tax, Outsourced Services)</i> <i>*Facilities & Real Estate</i> <i>*TWE</i> <i>*Supply Chain</i> 	<ul style="list-style-type: none"> <i>Shared Services</i>
<ul style="list-style-type: none"> <i>Customer Service</i> 	<ul style="list-style-type: none"> <i>Customer Service</i>
<ul style="list-style-type: none"> <i>Corporate Relations</i> 	<ul style="list-style-type: none"> <i>Corporate Relations</i>

**Appendix VIII - Side Letters
1999-2000 Negotiations**

December 4, 1998

Mr. John Wilson, President
The Society of Ontario Hydro Professional and
Administrative Employees
525 University Avenue, Suite 630
Toronto, Ontario
M5G 2L3

Dear Mr. Wilson:

This will confirm certain understandings reached during collective bargaining, concerning the Pension Plan:

- a) The employees represented by the Society constitute a separate class within the Ontario Hydro Pension Plan;
- b) The committee established as a result of the Memorandum of Settlement for the 1997-1998 Collective Agreement shall continue to have access to reasonable pension plan and pension fund information, which shall include reasonable information related to the allocation and transfer of pension funds from the Ontario Hydro Financial Corporation Pension Plan to a successor pension plan as contemplated by S. 100 of the *Energy Competition Act*. Prior to its publication, the committee will review any brochure, which provides a summary of the pension plan and any specific provisions and entitlements of the Society pension class;
- c) In the event of a division of the Ontario Hydro Pension Plan into two or more successor pension plans, the provisions of this letter are applicable in respect of each successor pension plan.
- d) The employer confirms it remains responsible in respect of all rights and benefits under Article 88 of the Collective Agreement.

Yours truly,

Steve Strome
Vice President, Labour Relations,
Compensation & Benefits

December 4, 1998

Mr. John Wilson
President
The Society of Ontario Hydro Professional and
Administrative Employees
525 University Avenue, Suite 630
Toronto, Ontario
M5G 2L3

Dear Mr. Wilson:

Hiring Hall Agreement

This letter will confirm the intent behind the Hiring Hall Agreement (“Appendix”), as previously communicated by Richard Sogawa.

During the negotiations the Management Team guarded against impacts on Society positions by ensuring that:

- The position of Sub-Foreperson aligned with the PWU UTS III position;
- The position of Foreperson aligned with the PWU UTS II position;
- The position of Senior Foreperson aligned with the PWU I position;
- PWU members acting as General Forepersons (those which are Society positions) can only do so for less than 3 months. After that time they must become Society dues paying members.

Yours truly,

Steve Strome
Vice President, Labour Relations,
Compensation & Benefits

Appendix IX -**Designation of "Society Representative" Contact Persons/Decision-makers
in the Society-Hydro One Collective Agreement**

February 15, 2013

**Mr. Jon Rebick
Vice-President Labour Relations
Hydro One**

Dear Jon:

As you are aware, the Society-Hydro One collective agreement contains numerous references to "Society Representative" or "local Society Representative" as the Society contact person and/or approval authority for the administration of various processes under this agreement without specifying whether the reference is to the local Society Delegate or to the applicable Society Unit Director (e.g. Section 65.3). In some cases, this has led to confusion for local line management and to misunderstandings between the parties.

To avoid these problems in the future, this is to provide Hydro One with formal notice that in all cases references to "Society Representative" or "local Society Representative" as the Society contact person/decision-maker in the collective agreement should be read as referring to the applicable Society Unit Director unless the Society Hydro One LVP or the applicable Society Unit Director has provided the employer with written notice to the contrary for specific circumstances.

Please note that this designation in no way diminishes or detracts from the entitlements of Unit Directors and/or other Society representatives under the collective agreement including, but not limited to, in Articles 39, 88, 91 and 93.

If you have any questions or wish to discuss this matter further, please do not hesitate to contact me. Thank you.

Sincerely,

**Keith Rattai
Society Local VP-Hydro One**

PART XVI - LETTERS OF UNDERSTANDING

LETTER OF UNDERSTANDING #1

Re: Society-MCP Boundary Issues

Intent

This LOU seeks to clarify employee rights during the operation of Article 64 related to positions at or near to the boundary between the Society and **MCP** and provide an equitable means for employees to participate in competitions or a mix and match and follow their work where it has been transferred in or out of the Society's jurisdiction as a result of a reorganization. It is not intended to provide enhanced employment continuity rights in comparison to employees whose work has not changed jurisdiction.

The Problem

1. Position X is in the old organization and is in the Society. The duties change very little in the new organization but the change is sufficient to alter the jurisdiction of the position (e.g., the span of supervision and control is expanded and there will be more Society direct reports).

Under the current rules the Society-represented employees currently in position X will not be permitted to compete for the position in the new organization during a mix and match.

2. There is a converse of 1. Position Y is currently excluded from the Society (i.e., **MCP**). In the new organization the position is substantially the same but the jurisdiction of the job will move to the Society's jurisdiction. Once again, the change is minimal (e.g., there is reduced supervision and fewer or no Society direct reports).
3. Position Z is being formed in the new organization. It appears that it will be excluded/included but there is uncertainty about some factors (e.g., the number of direct reports). Therefore, the jurisdiction is uncertain and may eventually change.

In this case, Management could make an arbitrary designation as excluded and the Society could challenge the designation later. If Management were to do this, then the Society-represented employees would not be able to compete for the position during a mix and match process. If the ultimate jurisdiction was within the Society, it could be that the selection process would have to be repeated.

If Management were to designate the position as included in the Society then **MCP** would be excluded from a mix and match process. A similar result could occur, if the jurisdiction were to subsequently change.

The Solution

A joint process for identifying positions X, Y and Z will be established as follows:

1. Management will identify the X, Y and Z positions and identify the employees who could be adversely affected. The Society will have approval/veto rights. (Note: This is intended to ensure X, Y and Z positions are legitimate and not intended to increase the opportunities for **MCP** employees or reduce the opportunities for Society represented employees to exercise their seniority rights in the mix and match process.)
2. Category X - These positions will be filled in the **MCP** mix and match or advertised Hydro One-wide using the normal vacancy process if not filled in the mix and match. Society

represented employees identified under paragraph 1 will be treated equally to **MCP** employees during a mix and match but may only be selected for Position X. If the position is advertised Hydro One-wide then the employee will be treated preferentially (i.e., be granted the same priority as surplus **MCP**) for the specified position only. If the employee is not selected, then the employee can exercise all of his/her normal rights under Article 64. Where the employee is not selected for the position, the Society and the employee will be advised of the selection criteria and provided with reasons for non-selection.

3. Category Y - These positions will be filled in the Society mix and match or advertised Hydro One-wide using the normal vacancy process if not filled in the mix and match. **MCP** employees identified under paragraph 1 will be treated equally to Society employees during a mix and match but can only be selected providing they meet the senior qualified criteria for Position Y (i.e., such employees cannot be placed in any other position or displace Society-represented employees). If the position is advertised Hydro One-wide, then the employee will be treated preferentially (i.e., be granted the same priority as surplus Society) for the specified Y position only. If the employee is not selected, then the employee will be treated similarly to other **MCP** staff in all other respects and have no additional rights.
4. Category Z - The parties will attempt to reach consensus on the jurisdiction of the position based on all available information (which will include an organization chart showing reporting relationships, selection criteria, and description of duties) prior to the selection process. Where consensus is not reached, Management will determine the jurisdiction and the Society will have the right to grieve.
5. The rights of the Society to grieve the jurisdiction of positions are unaffected by agreements reached under this process.
6. This Letter of Understanding expires March 31, **2016**.

(**Original version** signed by Steve Strome for Hydro One and Keith Rattai for the Society, January 2003. **Revised to update acronyms effective April 1, 2013**).

LETTER OF UNDERSTANDING #2
**Re: Expediting Redeployment Grievances
 and Arbitrations**

The undersigned Parties agree as follows:

Complaint and Grievance Procedure

1. This agreement applies to grievances arising from the administration of Employment Continuity provisions of the Collective Agreement (Article 64.1.2), including the redeployment process in each Unit of Application, non-selection to positions in the mix and match and non-selection of employees entitled to priority placement in the search/notice period, and to decisions of JROTs.
2. Except as specified in this agreement, all provisions and practices established in relation to the Complaint and/Grievance/Arbitration Procedure apply to these grievances.
3. An employee's complaint must be submitted no later than 20 working days after completion of the Mix and Match, e.g. final approval of the JRPT Second Report or equivalent, the JROT decision, or the selection process that includes the decision he or she feels is unfair.
4. At Step 1 of the grievance procedure, the Society will submit complaints within the scope of this agreement to the relevant JRPT, JROT, and/or line management through Labour Relations Strategy Division. Management and The Society will be given 10 working days to attempt to resolve the grievance. The Society's position on the grievance is not prejudiced by that of Society members of JRPTs or JROTs.
5. Failing resolution at Step 1, The Society may advance the grievance to Step 2 of the grievance procedure within a further 10 working days.
6. The Parties will appoint regular and backup members to at least one Standing Redeployment Grievance Team, which will act as a Second Step Grievance Committee according to the terms of the Collective Agreement. The Committee will meet within ten days of a grievance being filed to attempt to resolve the grievance.
7. Failing resolution at Step 2, The Society may refer the grievance to arbitration within 20 working days. The Parties will designate and retain one arbitrator for grievances under this agreement.

Arbitration

8. The parties will review case by case the appropriateness of the following expedited arbitration process for grievances arising from the Expedited Redeployment Grievance process.
9. Mr. Joseph W. Samuels, or another arbitrator acceptable to the parties, will be retained as arbitrator for Employment Continuity grievances and he will be asked to deal with agreed-upon cases according to the terms of point 10, below. The arbitrator shall control the proceedings and retain jurisdiction to require further submissions of fact or argument as he deems necessary to determine the matter.
10. The expedited arbitration process will require the following:
 - ◆ each grievance can be heard on one day, more than one grievance may be scheduled per day subject to the arbitrator's direction.

- ◆ the parties will prepare and sign a Joint Statement of the facts giving rise to the dispute, the facts in dispute (to the extent practicable), and any agreement as to the issues to be decided by the arbitrator. The Joint Statement must be developed prior to scheduling the hearing date.
 - ◆ each party will present three copies of a Case Statement at the outset of the hearing. The Case Statement will state the issues to be determined, the facts on which the party relies, and a summary of the position of the party, supported by documentary exhibits and references to the Collective Agreement, jurisprudence or other authorities.
 - ◆ witnesses may be called where the arbitrator rules that there is a material factual dispute and determines which parts of the evidence sought to be called appear relevant and material to the determination of the grievance. Witnesses will be under oath and subject to examination and cross-examination.
 - ◆ oral argument will be limited to the position of the party set out in the Case Statement and the rebuttal of the other party's argument.
 - ◆ the arbitrator will determine the matter as soon as possible, with a written decision issued to the parties within ten working days of the hearing date. Failure to meet a time limitation under this process will be deemed a technicality that does not invalidate the proceedings or the award.
11. Where the parties do not agree that a case is appropriate for this procedure, it will be dealt with by the same arbitrator as a conventional referral to arbitration.

(signed by B.R. Story and M. Germani - June 13, 1995)

LETTER OF UNDERSTANDING #3**Re: First Line Management Supervisory Positions (TMS)**

The parties agree to maintain commitments with respect to the jurisdiction of First Line Management Supervisory positions (TMS) as set out in the following Letters of Understanding, which are in other respects terminated as complete:

- (a) Implementation of the Retail Systems Agreement (August 16, 1995);
- (b) The Implementation of the Grid System Agreement on TMS (January 30, 1996);

(Signed by Steve Strome for Hydro One and John Cameron for the Society, March 2001).

LETTER OF UNDERSTANDING #4**Re: Allocation of Society Staff to Ontario Hydro Successor Companies**

All employees of Ontario Hydro on payroll at December 2, 1998 were allocated to the successor companies/bargaining units: OPGI Non-Nuclear, OPGI Nuclear, OHSC (*now Hydro One*), IMO (*now IESO*), ESA.

In certain cases, one successor company/bargaining unit ("service provider") continued to provide a service to one or more successor companies/bargaining units ("service recipient"), after the de-merger of Ontario Hydro (April 1, 1999). In these situations, management determined the number of FTEs required to provide the service, in consultation with the Society.

The employees allocated to positions providing the service shall be subject to the following:

1. If the service arrangement is later terminated, a number of employees equivalent to the number of FTEs identified above shall be allocated to the service recipient on the basis of seniority and preference, subject to work unit viability and reasonableness as in paragraph 2 above.
2. An employee who does not wish to resign employment with the service provider may remain with the company/bargaining unit subject to applicable redeployment provisions of the Society's Collective Agreement with that company/bargaining unit.
3. An employee who is offered a position under this subsection shall be entitled, as an employee of the service recipient, to relocation assistance on such terms as it exists in the collective agreement that applies to the receiving organization at the time of reallocation under this section.

(Original version signed by Steve Strome for Hydro One and John Cameron for the Society, March 2001. Revised to update acronyms effective April 1, 2013).

LETTER OF UNDERSTANDING #5

Re: Reclassification of 40-Hour FLM Jobs That Primarily Supervise Non-Trades

Without prejudice and without creating a precedent regarding any other matter, the undersigned parties agree as follows:

1. This Letter of Understanding is intended to address, on an interim basis¹, the problem of appropriately evaluating First Line Manager (FLM) jobs with regularly scheduled hours of work of forty hours per week that exclusively or primarily² manage³ non-tradespersons⁴ under the Trades Management Supervisor (TMS) job evaluation plan.
2. This agreement applies to incumbents in the Customer Service FLM, the Distribution FLM - Remote Communities Shift Manager jobs and FLM – Field Technical Services ("included jobs"). The incumbents in these jobs as of the date of signing of this agreement are listed in Appendix A. The Society and Hydro One may mutually agree to extend the application of this Letter of Understanding to other jobs consistent with the intent expressed in paragraph 1.
3. The included jobs will be reclassified MP4 and paid off of salary schedule 01 effective the date of signing of this Letter of Understanding. While these jobs remain on salary schedule 01, incumbents will have all rights under Plan A until such time as the parties have agreed on a replacement job evaluation plan.
4. Employees shall be given "point to point" (i.e., as if placed at the same performance standing at the MP4 salary grade) retroactive compensation for the period they were incumbents in the jobs listed in paragraph 2 between January 1, 1999 and the date of signing of the Letter of Understanding.
5. The regularly scheduled hours of work per week for incumbents in included jobs shall be 40 hours.⁵ For the purposes of these jobs only, salary schedule 01 applies to 40 hours per week. As a result, regularly scheduled hours between 35 and 40 hours per week will not be paid on a pro-rated basis.
6. Management shall expeditiously produce job documents for included jobs reflecting the changes agreed to in this Letter of Understanding. These documents shall provide management with the flexibility to assign incumbents to supervise different employee classifications (e.g., trades, clerical-technical, operators) as required. This provision is without prejudice to whether or not this reassignment creates an "adverse impact" within the meaning of Article 64 of the Collective Agreement.
7. Except as expressly modified by this Letter of Understanding, all provisions of the Collective Agreement shall continue to be applicable.
8. This Letter of Understanding shall remain in effect until the earlier of when the parties reach agreement of a new job evaluation plan (pursuant to Section 30.5 of the Collective Agreement) or December 31, 2000. If no agreement on a new job evaluation plan is reached by December 31, 2000, this Letter of Understanding shall continue in effect thereafter subject to termination by either party on 90 days' written notice.

- 1 "Interim" means until agreement is reached on a new job evaluation plan pursuant to Section 30.5 of the Collective Agreement.
- 2 "Primarily" means that normally more than 50% of time is spent managing non-tradespersons.
- 3 In this Letter of Understanding, "manage" is used in the context of the continuation of the jurisdictional commitments given in LOU #3.
- 4 "Tradespersons" means those recognized as such under the PWU-Hydro One Collective Agreement.
- 5 For the sake of clarity, Article 69 of the Collective Agreement ("Reduced Base Hours - 40 Hour Workers) applies to incumbents in these jobs.

(Signed by Steve Strome for Hydro One and John Wilson for the Society, July 14, 1999).

LETTER OF UNDERSTANDING #6

Re: Process for Updating the Hydro One Drug Formulary

A. New Drugs Requiring a Prescription By Law

1. New "generic substitutes" for "name brand drugs" already listed on the Formulary will automatically be added to the Formulary as soon as they are approved for use in Canada.
2. New "strengths/dosages/forms" for drugs listed on the Formulary will automatically be added to the Formulary as soon as they are approved for use in Canada.
3. Out-of-country drugs with the same chemical base as drugs listed on the Formulary will be covered on the same basis as their Formulary equivalent.
4. The Chief Physician (or other employer-designated decision-maker) shall review all drugs that have been newly approved for use in Canada and advise the employer whether the drug is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition. The employer will make all reasonable efforts to make this determination as soon as possible after the drug has been approved for use in Canada. When a drug is deemed by the Chief Physician (or other employer-designated decision-maker) to meet this criteria, the drug shall be added to the Formulary.
5. Any drug on the Formulary that is no longer approved for use in Canada will automatically be deleted from the Formulary effective the date federal approval is withdrawn.

B. Over-The-Counter (OTC) Products

1. A new OTC product that falls into the following categories:
 - (a) considered life sustaining;
 - (b) different strengths or repackaging of life sustaining products already on the Formulary (same product/same company);
 - (a) products already on the Formulary whose DINs may have changed as a result of a company takeover or reorganization shall be reviewed by the Chief Physician (or other employer-designated decision-maker). The Chief Physician (or other employer-designated decision-maker) will advise the employer whether: a) the OTC product is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition; and, b) Best Average Pricing (i.e. Manufacturer's wholesale price to the carrier) is available for the product. When the OTC product is deemed by the Chief Physician (or other employer-designated decision-maker) to meet this criteria, the product shall be added to the formulary.

When Best Average Pricing information is not available for an OTC product, a paper claim will be reimbursed subject to determination by the Chief Physician (or other) employer-designated decision maker) that there

is no reasonable alternative product on the existing formulary and that the product is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition.

C. MISCELLANEOUS

1. The Corporation agrees to provide the following to The Society: a full and complete copy of the list of new drugs approved for use in Canada, as received from the Carrier (usually monthly); a list of (prescription and OTC) items added to the Formulary (including, where applicable, what country it applies to); and, upon written request from The Society, a written rationale for not including a drug on the formulary
2. Notification of the employer's decision to not add a drug to the Formulary, and any ensuing discussion with respect to the employer's rationale for not doing so:
 - Shall not be deemed to trigger timelines under Article 16 of the Collective Agreement;
 - Shall be without prejudice to The Society's position with respect to whether the drug meets the "reasonable and customary" standard; and,
 - Shall not prejudice The Society's entitlement, or the entitlement of any Society-represented employee(s), to grieve the employer's decision at a later date.

Where a timely grievance is successful, reimbursement for a denied claim shall be limited to the date of claim and retroactive additions to the Formulary shall be limited to the date of claim denial.

3. The Corporation agrees to provide The Society with an electronic copy of the complete Drug Formulary on a regular basis (calendar year).
4. The Corporation agrees to install, and update on a regular basis, the complete Drug Formulary on the Intranet.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, July 11, 2000).

LETTER OF UNDERSTANDING #7

Re: Hydro One Acquisitions


Without prejudice and without creating a precedent regarding any other matter, the undersigned agree as follows:

Hydro One Inc. is engaged in the acquisition of various Utility businesses. In most cases, Hydro One Inc. intends to integrate the work force of the Utility with the Hydro One Inc. work force. This Letter of Understanding will apply to all employees the Society represents after the acquisition of the Utility or part thereof.

1. Upon acquisition of the Utility, or part thereof, and where the Society represents the employees, Hydro One Inc. shall employ in the bargaining unit all employees of the Utility (the "employees") who would typically fit within the Society's recognition clause and shall intermingle such employees and the business of the Utility with its own employees and business. Hydro One Inc. shall provide the Society with Notification of the intent to transfer employees from the Utility to the Society's jurisdiction within Hydro One. A joint review of the employees' classifications shall be conducted to assess how they fit in the bargaining unit as soon as possible and before the transfer of these employees to Hydro One Inc.
2. Where employment or location protection has been provided as part of the sale agreement, these employees ("protected employees") shall have a protected period which is the period of time beginning when the protected employee commences employment with Hydro One Inc. and ending when the first of any of the following events occurs:
 - a) The number of years of protection noted in the purchase agreement, to a maximum of 5 years, have elapsed since the date the protected employee commenced employment with Hydro One Inc.
 - b) The protected employee voluntarily obtains another position within Hydro One Inc. in accordance with paragraph 5 below.
 - c) The protected employee voluntarily retires or leaves the employ of Hydro One Inc.
 - d) The protected employee voluntarily notifies Hydro One Inc. and the Society in writing that he/she wishes to terminate his/her protected period. No such notice shall be served during any period of time when Hydro One Inc. is redeploying other members of the bargaining unit pursuant to Article 64 of the Collective Agreement or any other negotiated redeployment arrangements.
3. During the protected period, the protected employees shall not be subject to permanent transfer, displacement or any part of Article 64 of the current Society Collective Agreement.
4. Employees shall carry forward their seniority and service credit from the Utility. Employees shall accrue seniority and service credit under the Collective Agreement for all purposes under the Collective Agreement.
5. Protected employees shall be eligible to apply for vacancies pursuant to Article 65 and shall be considered at selection priority level (f) for vacancies filled in accordance with Subsection 65.6.3 of the Collective Agreement. Protected employees shall not be given preference or priority consideration over other Society-represented employees in the filling of vacancies other than on the basis of the selection criteria set out in Article 65.

6. Any positions that are vacant prior to the acquisition and which Management intends to fill shall be advertised in accordance with the applicable section of Article 65 of the Collective Agreement.
7. No regular Society-represented employee shall be subject to Article 64 as a direct result of protected employees performing their work during the protected period.
8. Each acquisition, and a list of the associated protected employees, shall be documented on an attachment to this Letter of Agreement.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, September 26, 2000).



LETTER OF UNDERSTANDING #8

Re: Career Edge

Career Edge is a non-profit organization which connects university and college graduates with employers to develop marketable career-related skills to help the individual succeed in today's market place.

Society-represented employees may be utilized to mentor, train and to oversee training related assignments of Career Edge participants. It is expected that any investment of time by Society-represented employees in training and mentoring will be offset by the contributions of Career Edge participants.

Hydro One and the Society support the goal of the Career Edge program. To assist with its objectives, the parties agree to the following:

1. Participants may have an internship program of either 6, 9, 12 or 18 months.
2. Hydro One will advise the Society Office of each potential Career Edge opportunity that is within the Society's jurisdiction prior to finalizing an agreement with Career Edge.
3. Career Edge participants will not become employees of Hydro One.
4. Career Edge is the legal employer of the participants so all payroll administration and associated liabilities reside with Career Edge.
5. In order to make the internship as beneficial as possible, participants may be assigned training exercises consisting of work within the Society's jurisdiction.
6. Participants will not be represented by the Society.
7. There will be no adverse impact within the meaning of Articles 64 and/or 18 on a Society-represented employee or the Society, including no reduction in Society-represented positions (and associated hiring requirements) nor any displacement of Society-represented employees from their positions, as a result of the Career Edge program.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, September 21, 2000).

LETTER OF UNDERSTANDING #9

Re: Implementation of Bi-Weekly Pay

Without prejudice and without creating a precedent regarding any other matter, pursuant to and in full completion of the commitment set out in Article 76, the undersigned parties agree to introduce bi-weekly pay for Society-represented employees in Hydro One on the following basis:

1. Bi-weekly pay will be introduced the later of January 2002 or when bi-weekly pay is implemented for PWU-represented staff in Hydro One.
2. In order to facilitate the transition to a bi-weekly pay cycle, Hydro One will advance the equivalent of one (1) week's net pay on the last weekly-pay pay date to all employees except those who elect not to receive this payment in accordance with paragraph 3 below.
3. Employees will be canvassed to determine whether they wish to receive the advancement described in paragraph 2 above. Failure to respond within two (2) weeks of receiving the option form will result in the employee deemed to wish to receive the advancement.
4. Employees who receive the advancement will be required to pay it back in equal instalments over six months. Such deductions will be taken directly off the employee's bi-weekly pay deposit. If an employee's net pay is insufficient to cover the required repayment amount, the employee will provide a cheque for the required amount payable to Hydro One.
5. In the event an employee terminates from Hydro One before repaying the advancement in full, any money owed will be deducted from outstanding monies owed to the employee.
6. No regular employee will be laid off as a direct result of moving to the bi-weekly pay cycle.
7. This agreement is conditional upon finalization of an agreement between the PWU and Hydro One on the implementation of bi-weekly pay for PWU-represented staff. In the event that Hydro One and the PWU agree to more provident terms than those contained in this agreement, the Society will have the choice of accepting this agreement or the PWU agreement.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, October 30, 2001).

LETTER OF UNDERSTANDING #10
Re: Return of Employees from Inergi to Hydro One
Warehouse Operations

Without prejudice and without creating a precedent regarding this or any other matter, the undersigned parties agree to the following:

1. The purpose of this Letter of Understanding is to identify the employees who are returning from Inergi to Hydro One as a result of the repatriation of the warehouse operations.
2. The following employees will be transferred from Inergi to Hydro One:
 - T. Crawford (617911) – Warehouse Operations Supervisor
 - E. Kapitan (676774) – Warehouse Operations Supervisor
 - P. Martin (107681) – Warehouse Operations Supervisor
3. Effective the date of transfer, the above named employees shall transfer all accumulated service, vacation, seniority, sick leave and subject to the agreement of Inergi, pension credits as set out in Articles 4 and 64 for all Inergi and previous Hydro One service to Hydro One. For the sake of clarity, these employees shall be considered employees hired before January 1, 2002 for the purposes of Article 44.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 7, 2004).

LETTER OF UNDERSTANDING #11**Re: Biometrics Information at the Barrie HONOC**

1. It is acknowledged that the introduction of and requirement to provide biometrics information is a condition of employment at the Barrie HONOC.
2. The collection and use and disclosure of the personal information provided will be restricted to the stated purpose of using biometric templates, which is to secure verification of the identity of individuals for access to the Barrie HONOC facility. The biometric template is not a fingerprint as used in law enforcement.
3. This LOU does not set a precedent for either party regarding security access requirements at other locations, currently or in the future.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, July 9, 2004).

LETTER OF UNDERSTANDING #12**Re: Work Refusal**

It is jointly agreed that the following Letter of Understanding is an agreement between the parties and that any changes require joint agreement. The parties further agree that any detailed associated documents must meet the intent described within this Letter of Understanding.

1. Items within any detailed associated documents will clearly identify the rights and accountabilities of workers, supervisors and the employer under the Occupational Health and Safety Act, section 43.
2. The parties agree that the work refusal process established within Hydro One will have a three stage process. The three stages will outline a worker concern process – stage 1, a worker refusal process – stage 2 (internal) and a worker refusal process – stage 3 (Ministry of Labour Involvement).
3. The parties will ensure the process identifies the Union representative's role.
4. The process will ensure active participation of Senior Management and the Society Hydro One Local Vice-President, prior to contacting the Ministry of Labour.
5. Either party may cancel this Letter of Understanding on 60 days' notice.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 18, 2005).

LETTER OF UNDERSTANDING #13

Re: Incident Rating and Investigations

It is jointly agreed that the following Letter of Understanding is an agreement between the parties and that any changes require joint agreement. The parties further agree that any detailed associated documents must meet the intent described within this Letter of Understanding.

Incident Rating


1. The Society representatives on the Joint Health and Safety Committee shall be provided with the opportunity for input into incident, Maximum Reasonable Potential for Harm (MRPH) ratings.
2. Where the rating of an incident is in dispute, Line Management or Joint Health and Safety Committee members can seek timely resolution of the dispute through an adjudication by the Vice-President of Health, Safety and Environment.

Incident Investigation

1. All incidents shall be investigated. Whenever a team is appointed to investigate an incident, the Society shall be invited to participate on investigation teams and shall select their representative.
2. It is Hydro One's general intent to share all management corrective action plans with all employees and their unions as broadly as possible. However, it is acknowledged that in respect of certain incidents, such as those out of which significant personal or corporate liability may arise, this may not always be possible or desirable. In respect of such incidents, with a view to protecting the rights of employees of the Corporation and the Corporation itself and subject only to the Joint Health and Safety Committee and Society representatives' right to review the written corrective action, Management reserves the right to not publish or distribute a copy of the written corrective action plan and, if the written corrective action plan is published or distributed, to prohibit or limit its further disclosure or reproduction in any form. In these instances the Corporation will identify this to the Society prior to the start of the investigation. The Society representative, who will be a person designated by the Society Vice-President, may sign off that the Society is in agreement with Management's decision to withhold, prohibit or limit reproduction of the corrective action plan.
3. It is agreed between the parties that joint investigations are performed to identify the root cause(s) of the incident and not to lay blame on any individual. It is agreed that any information gathered during the investigation process will not be used to discipline any Society member. If Management so desires they can conduct a separate investigation for disciplinary purposes.
4. The team established will sign off on the final report. If the Society disagrees with the report the Society representative's comments will be noted in the report.
5. All applicable release costs and associated expenses shall be borne by the company as per the Collective Agreement and the Occupational Health and Safety Act.

- 6.** Joint Health and Safety Committee members and the Union representatives shall have the right to review the management approved corrective action plan, except as noted in item 2 above.
- 7.** There will be a discussion between the parties prior to the release of a final report, by either party, that is not described in item 2 above.
- 8.** Either party may cancel this Letter of Understanding on 60 days' notice.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 18, 2005).



LETTER OF UNDERSTANDING #14**Re: Career Bridge**

Career Bridge is a non-profit organization which connects internationally Qualified (foreign trained) Professionals with employers to gain Canadian work experience to help the individual succeed in today's market place.

Society represented employees may be utilized to mentor, train and to oversee training related assignments of Career Bridge participants. It is expected that any investment of time by Society represented employees in training and mentoring will be offset by the contributions of Career Bridge participants.

Hydro One and the Society support the goal of the Career Bridge program. To assist with its objectives, the parties agree to the following:

1. Internship lengths are of at least 4 months and can be extended to a maximum of 12 months at the discretion of Hydro One.
2. Hydro One will advise the Society Office of each potential Career Bridge opportunity that is within the Society's jurisdiction prior to finalizing an agreement with Career Bridge.
3. Career Bridge participants will not become employees of Hydro One.
4. Career Bridge is the legal employer of the participants so all payroll administration and associated liabilities reside with Career Bridge.
5. In order to make the internship as beneficial as possible, participants may be assigned training exercises consisting of work within the Society's jurisdiction.
6. Participants will not be represented by the Society.
7. There will be no adverse impact within the meaning of Articles 64 and/or 18 on a Society represented employee or the Society, including no reduction in Society represented positions (and associated hiring requirements) nor any displacement of Society represented employees from their positions, as a result of the Career Bridge program.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, February 28, 2006).

LETTER OF UNDERSTANDING #15***Re: Time Limits for Filing Health and Dental Claims***

This letter details the understanding between the parties regarding time limits for filing Employee Health and Dental Claims and will become effective on January 1, 2009.

In order to be eligible for payment, Society-represented employees must submit their claims within two years of the date on which the expense was incurred. For example, a health or dental expense incurred on December 1, 2007 must be submitted by December 1, 2009 in order to be eligible for payment.

Failure to submit within this time limit will result in automatic rejection of the claim.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, September 9, 2008).

LETTER OF UNDERSTANDING #16

Re: Joint Health and Safety Working Committee

It is jointly agreed that this Letter of Understanding is an agreement between the parties and that any changes require joint agreement.

The Joint Health and Safety Working Committee shall be established to provide recommendations to assist the Health and Safety Division in the development, promotion, implementation and evaluation of Hydro One employee health and safety policy and programs.

Personnel

The Committee will be comprised of three representatives from each of the following:

The Society, the PWU and Management.

The parties will each select their respective committee members.

The chair will rotate among Management, Society and Power Workers' Union.

Function

- (a) Participate in the identification of problems and issues of Company significance in employee health and safety policy and practice.***
- (b) Participate in the development, promotion and implementation of Company health and safety programs.***
- (c) Study, develop and make recommendations for changes to the corporate safety rules and work protection code. This function can be delegated to an ad hoc group.***
- (d) The committee will normally attempt to resolve issues of mutual interest before seeking intervention by senior management or the Joint Health and Safety Policy Committee.***
- (e) The committee will meet quarterly or as mutually agreed.***

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, September 29, 2008).

LETTER OF UNDERSTANDING #17

***Re: Building Trades Union Employees
who are temporarily working in the Society's Jurisdiction***

***Without prejudice and without creating a precedent regarding this or any other matter,
the undersigned parties agree as follows :***

- 1. This Letter of Understanding applies to Hydro One employees whose base position is represented by one of the Building Trades Unions ("BTU employee").***
- 2. A BTU employee who is temporarily assigned work within the Society's jurisdiction shall be paid from his/her applicable base Building Trades Union wage schedule for the duration of this assignment, including the period beyond three months.***
- 3. Except as expressly provided for in this Letter of Understanding, all other terms and conditions of the Society collective agreement shall apply to BTU employees who are temporarily working in the Society's jurisdiction as outlined in Article 5.2 of the Hydro One/Society Collective Agreement.***

(Signed by Jon Rebick for Hydro One and Keith Rattai for the Society, June 9, 2011)

LETTER OF UNDERSTANDING #18**Re: Statutory Holiday Credit Compensation**

The following outlines the options available to Society-represented staff who are assigned to work overtime in circumstances where they would be entitled to a statutory holiday credit pursuant to Section 58.2 ("Overtime: Day Workers"):

- 1. In all circumstances, except as outlined in #2 below, an employee assigned to work overtime on a statutory - holiday will be compensated as per Article 58.***
- 2. Upon mutual agreement, the employee may request to be paid for his/her statutory holiday credit at the same time as the overtime is paid. The employee must request the paid option in advance of working on the statutory holiday and the manager must approve this arrangement. If there is no agreement, the employee will be compensated as per Article 58.***
- 3. This Letter of Understanding terminates on March 31, 2016.***

(Signed by Jon Rebick for Hydro One and Keith Rattai for the Society July 15, 2013)

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COLLECTIVE AGREEMENT

BETWEEN

HYDRO ONE INC.
("Hydro One" or "The Employer")

AND

THE SOCIETY OF ENERGY PROFESSIONALS
("The Society" or "The Union")

July 1, 2007 - March 31, 2013

IN WITNESS THEREOF the parties hereto have caused the Agreement to be executed by their proper officers duly authorized in that behalf at Toronto, Ontario.

Hydro One Inc.

The Society of Energy Professionals

Date

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PART I – MANAGEMENT RIGHTS

1 MANAGERIAL RIGHTS OF THE COMPANY

Hydro One Inc. has and shall retain the exclusive right and power to manage its business and direct its working forces, including, but without restricting the generality of the foregoing, the right to hire, suspend, discharge, promote, demote and discipline any employee. Hydro One shall exercise the said functions in accordance with the provisions of the Collective Agreement.

PART II - RECOGNITION

2 RECOGNITION CLAUSE

2.1 Provincial Jurisdiction

Hydro One Inc. recognizes the Society as the exclusive bargaining agent for a bargaining unit comprised of:

All employees employed in Hydro One Inc., hereinafter known as Hydro One, in the Province of Ontario employed as supervisors, professional engineers, engineers-in-training, scientists, and professional, administrative and associated employees, save and except for persons who perform managerial functions as distinct from supervisory functions; persons employed in a confidential capacity with respect to labour relations; and persons in bargaining units for which any trade union held bargaining rights as of November 13, 1991.

2.2 Federal Jurisdiction

The Society was certified in May 1995 under the Canada Labour Code for a bargaining unit comprised of the following:

All employees of Ontario Hydro employed by Ontario Hydro Nuclear (OHN) in the Province of Ontario employed as supervisors, professional engineers, engineers-in-training, scientists, and professional, administrative and associated employees, save and except for persons who perform managerial functions as distinct from supervisory functions; persons employed in a confidential capacity with respect to labour relations; and persons in bargaining units for which any trade union held bargaining rights as of November 13, 1991.

On April 1, 1998, jurisdiction for labour relations for the above Ontario Hydro noted federal bargaining unit was delegated to the Province of Ontario.

2.3 Clarity Notes

2.3.1 For the purposes of clarity, the bargaining units set out above:

Include:

- a) all regular, probationary, graduate students, reduced-hours and temporary employees whose functions are included in the classifications paid from Salary Schedules **01, 02 and 03**.

Exclude:

- a) those persons who perform managerial functions as distinct from supervisory functions. An employee is performing managerial functions if:
 - i) she/he performs managerial functions such as hiring, promotion, performance increase, discharge, etc., over other employees in the bargaining unit; and

she/he is required to spend the majority of his/her time performing managerial duties; and

she/he supervises at least seven (7) employees (directly and indirectly) on a regular and continuous basis; or

- ii) she/he supervises persons who are excluded from the Society's bargaining unit by reason of performing managerial functions or being employed in a confidential capacity with respect to labour relations.

2.3.2 Definitions

- a) "Supervisors" means employees who primarily perform supervisory functions, including the requirement to make recommendations regarding any staff or personnel matter. These staff or personnel matters include, but are not limited to, such areas as selection, promotion, appraisal, discipline, transfer, staffing needs, work methods, changes in terms and conditions of employment, grievances, or the interpretation and administration of the applicable Collective Agreement. "Supervisors" includes employees in other employee classifications who perform supervisory functions.
- b) "Professional engineer" means either: a) an employee who is a member of the engineering profession entitled to practice in Ontario and employed in a professional capacity; or b) an employee with equivalent credentials who is in a position that requires engineering expertise and specialized knowledge. This definition includes all employee categories included under the heading of "Professional Engineer" listed in Attachment A to Appendix I "Utilization and Advancement of Professional Engineers and Scientists" in this Agreement. "Professional engineers" includes employees who satisfy these criteria and who are required to perform supervisory functions.
- c) "Engineers-in-training" means an employee who has completed a course of specialized instruction in engineering sciences and graduated from a university or similar institution, who has not satisfied all the requirements for practicing as a professional engineer and who is on a structured training program to partially satisfy these requirements.
- d) "Scientists" means employees who are university graduates in the Natural Sciences, the Applied Sciences, Mathematics or Computer Sciences, who are not classified as professional engineers, and who are engaged in the application of this specialized knowledge in the course of their employment. This definition includes all incumbents in positions identified under the heading of "Scientists" listed in Attachment A to Appendix I entitled "Utilization and Advancement of Professional Engineers and Scientists" in this Agreement. "Scientists" includes employees who satisfy these criteria and who are required to perform supervisory functions.
- e) "Professional employee" means an employee who:
 - i) in the course of his/her employment is engaged in the application of specialized knowledge ordinarily acquired by a course of instruction and study resulting in graduation from a university or similar institution; and

- ii) is eligible to be a member of a professional organization that is authorized by statute to establish the qualifications for membership in the organization; or
- iii) performs the functions, but lacks the qualifications of a professional employee.

“Professional employees” include employees who satisfy these criteria and who are required to perform supervisory functions.

- f) “Administrative employee” means an employee who normally supervises persons engaged in office administration, construction, security or maintenance work who are represented by another trade union. This definition includes employees who share a community of interest with “supervisors”.
- g) “Associated employees” means employees in positions which normally require a university degree or equivalent education or experience. This definition encompasses employees who share a community of interest with “professional engineers”, “scientists” or “professionals” and includes, but is not limited to, Nurses. “Associated employees” includes employees who satisfy these criteria and who are required to perform supervisory functions.

2.4 Supervisory Employees - Code of Ethics

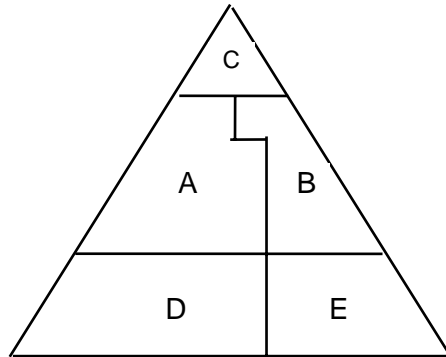
Hydro One agrees to include supervisory employees in the bargaining unit on the condition that the parties recognize that supervisory employees will continue to exercise key functions in the control and operation of Hydro One. As members of Hydro One’s managerial staff, supervisors use judgment to express and make operative the decisions of Management. They are responsible for fostering a healthy work environment. The parties recognize the responsibility of supervisors to discharge their supervisory duties in good faith. The Society and Hydro One will identify, minimize and/or avoid the conflicts/perceived conflicts of interest that may arise concerning the relationship between supervisors, the Society and Hydro One.

It is recognized that supervisory employees may be disciplined for failure to act in good faith as a representative of Management and fulfilling their responsibilities including abuse of supervisory position and breach of trust.

2.5 Exclusions Process

Hydro One and the Society agree to the following process for the purpose of excluding new and changed positions from the Society’s jurisdiction.

1. The following new or changed job documents or their electronic equivalents in Scenarios A to D will be sent to the Society for their review:



- A - Society Jobs
- B - MF Jobs
- C - Borderline Society/ESR Jobs
- D - Borderline Society/PWU Jobs
- E - MS Jobs

Scenario		Revised Jobs
A	Documents will be sent to the Society after finalization.	<ul style="list-style-type: none"> i) If job leaves Society jurisdiction, documents will be sent to the Society before finalization. ii) If Society jurisdiction does not change, documents will be sent to the Society after finalization.
B	Documents for new MF jobs will be sent to the Society before finalization.	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.
C	Documents for new first-level ESR jobs will be sent to the Society before finalization.	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.
D	<p>Documents for the following new jobs not established as PWU jobs in the past will be sent to the Society before finalization:</p> <ul style="list-style-type: none"> i) supervisory jobs, and ii) non-supervisory jobs which report to a Society-represented position and are paid at the final step rate at or above MP1 reference point. 	If jurisdiction changes to Society bargaining unit, documents will be sent to the Society after finalization.

2. ***If a new or changed job is excluded from the Society's jurisdiction and the Society has concerns with the exclusion, the parties will meet within 15 days of the exclusion request to attempt to resolve any outstanding issues.***
3. ***If the parties are unable to resolve the issues, the Society can request that the dispute be submitted to expedited arbitration. A hearing will be held within 30 days of the referral, and a decision will be rendered within 15 days of the hearing. Management cannot implement the exclusion until the Arbitrator's decision. The Society must inform Hydro One of their intent to***

request arbitration within 10 days of the meeting taking place. If the Society does not request arbitration, Hydro One is free to implement the excluded position.

4. Management will notify the Society office of any jurisdictional grievance filed by another trade union against a Society-represented position and will advise the Society of any change in status (e.g., referred to next step, resolved, withdrawn).
5. Attachment 1 is the exclusion form which will be used in accordance with this process. The Society's agreement to exclude any position under this process is without prejudice to its position in any proceedings and will not limit the Society's right to challenge the exclusion at a later point in time.

ATTACHMENT 1 Hydro One Request for Society Exclusion

-Note: Before an occupation code can be issued, completion of the shaded areas by Line Management and/or Human Resources is mandatory.

date	job title	schedule/grade
business unit	division	department

This is a: new document
 revised and previously excluded document - existing occupation code:
 revised and previously included document - existing occupation code:
 Managerial Exclusion Confidential Exclusion Within Another Trade Union

<p>SOCIETY UNIT DIRECTOR</p> <p><input type="checkbox"/> Agreed <input type="checkbox"/> Disagreed</p> <p>If disagreed, why?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Society Unit Director (signature)</p> <p>_____</p> <p>Date: _____</p>	<p>SOCIETY STAFF OFFICER</p> <p><input type="checkbox"/> Agreed <input type="checkbox"/> Disagreed</p> <p>If disagreed, why?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Society Staff Officer (signature)</p> <p>_____</p> <p>Date: _____</p>
--	--

(The Society's agreement to exclude any position from its jurisdiction is without prejudice to challenge this exclusion at a later point.)

<p>Line Management (signature)</p> <p>_____</p> <p>Date: _____</p>	<p>Human Resources Department (signature)</p> <p>_____</p> <p>Date: _____</p>
--	---

Note: See Article 2 of the Society-Hydro One Collective Agreement for the complete Recognition Clause and Letter of Understanding, dated Oct. 4, 1994. For clarification or information regarding exclusion, please contact your Human Resources Officer or Labour Relations - Corporate HR or the Society Office or a Society Unit Director.

2.6 Successor Rights

2.6.1 The Hydro One agrees that it will not directly or indirectly request government to exempt the Company or the Society from the successor rights provisions of the applicable labour relations legislation.

2.6.2 The successor rights provisions of the applicable labour relations statute shall be incorporated by reference into this collective agreement. No board of arbitration established pursuant to the grievance and arbitration provisions of this contract has jurisdiction to make any decision within the jurisdiction of the Labour Relations Board and nothing herein is intended to affect the jurisdiction of the Labour Board to resolve disputes related to the application of the provisions of the statute. For purposes of s.48 of the *Ontario Labour Relations Act* and s. 57 of the *Canada Labour Code*, the Ontario Labour Relations Board or the Canada Labour Relations Board shall be deemed to be a Board of Arbitration for the resolution of disputes related to the interpretation, application, administration or alleged violation of this provision of the collective agreement. The remedial powers of the Labour Board shall be as set out in the relevant statutory provisions governing successor rights.

3 EMPLOYEE CLASSIFICATIONS

3.1 Probationary Employees

A probationary employee is an employee who is hired on a trial basis with the prospect of being reclassified as a regular employee, if the employee's performance satisfactorily meets the job requirements. The probation period is normally a minimum of three months and a maximum of six (6) months. After six (6) months, the employee will either be made regular, transferred to another probationary position or terminated unless there is an expectation that a longer probationary period will result in improvement in a specific area which has been identified to the employee (e.g. completion of a training course or a specific work assignment, interrupted probationary period as a result of parental leave, etc.) The employee's benefits and working conditions are the same as regular employees with exceptions identified in the provisions where different treatment has been agreed to.

3.2 Regular Employees

A regular employee is an employee who has either served the required probationary term or has previously been employed in one of the other categories and has satisfactorily met the job requirements. The employee occupies a position that is considered part of the on-going organization of Hydro One.

3.2.1 Reduced Hours of Work Regular Employees

A reduced hours of work regular employee is an employee who has regular status but works less than the base hours for a full-time position. The employee's benefits and working conditions are pro-rated and based on the entitlements of the regular employees. The pro-rating is described in Article 71 (Reduced Hours of Work).

3.3 Temporary Employees

3.3.1 A temporary employee is an employee who is hired for short-term work assignment which is not ongoing (i.e. normally not extending beyond 24 months). The employee's benefits and working conditions are as per Article 33 (Temporary Employees).

3.3.2 Reduced Hours of Work Temporary Employees

A reduced hours of work temporary employee is an employee who has temporary status but works less than the base hours for a full-time position. The employee's benefits and working conditions are pro-rated as per Article 33 (Temporary Employees).

3.3.3 Student Employees

A student employee is an employee who is hired for short-term work which is not ongoing. He/she is normally in the process of completing his/her post-graduate studies and is expected to return to his/her studies after an agreed employment period. The employee's benefits and working conditions are as per Article 33 (Temporary Employees).

4 SERVICE CREDIT DEFINITIONS

Service credits shall be based on all previous full-time (regular, temporary and casual) service and part-time/reduced hours (regular and temporary) unless otherwise specified. (See Section 9.3 Transition Provisions)

4.1 Established Commencement Date (ECD)

The "ECD" represents the latest date of hire, subject to authorized adjustments for previous service as detailed below.

a) Regular

The ECD for regular employees is calculated by giving service credits for:

- probationary employment;
- 100% of employment service in an acquired company;
- previous regular and temporary (full-time and reduced hours employment), if there has been no break in service exceeding twelve (12) months;
- previous casual construction employment if there was no break in employment exceeding three (3) months (or 12 months for casual construction employees on the Pension and Insurance Plan).

(The ECD has an impact on sick leave and severance pay.)

b) Temporary

The ECD for temporary employees is calculated by giving service credits for:

- previous temporary employment, if there has been no break in service exceeding 3 months and employee has less than 12 months service;
- previous temporary employment, if there has been no break in service exceeding 12 months and employee has greater than 12 months service.

(The ECD has an impact on statutory holidays and floating holidays.)

4.2 Vacation Credit Date (VCD)

The VCD represents all service regardless of breaks. While a regular employee, service credits shall be based on the current ECD and adjusted for all previous periods of Hydro One employment. All employees who currently work reduced hours or have done so in the past, will have such service calculated as if were full time.

(VCD is used to determine vacation bonus.)

4.3 External Experience Value (EEV)

The EEV represents a vacation credit quantity expressed in number of years, months and days for external work experience granted to qualifying regular employees (Section 40.7). The EEV and VCD determine total years credit for vacation entitlement (days) and service-based payment in lieu of notice (Subsection 64.13.1).

4.4 Service Recognition Date (SRD)

The SRD for regular employees represents all service while a Hydro One employee on payroll regardless of breaks in employment. Service credits shall be based on the last hire date and adjusted for all previous periods of Hydro One employment. All employees who currently work reduced hours or have done so in the past, will have such service calculated as if it were full time (it should never be pro-rated).

Authorized Adjustments:

a) Personal Leaves of Absence

SRD includes the time an employee is on "leave", if the employee is on a:

- personal leave of absence with pay; or
- personal leave of absence without pay which is less than 15 working days; or
- personal leave of absence without pay which is more than 15 working days and which was started on or after April 15, 1993 -- only that portion which was taken during the period from April 15, 1993 to August 31, 1997.
- prepaid leave of absence, under the enhanced leaves of absence policy dated April 16, 1993, greater than eight (8) weeks.

b) Pregnancy/Parental Leaves

SRD includes the time an employee is on a pregnancy/parental leave (previously referred to as normal or extended maternity/adoption leave).

c) Job Sharing

SRD is calculated as if the employee is working full-time hours.

d) Work Sharing

SRD is calculated as if the employee is working full-time hours.

(SRD has an impact on recognition of employee service at years 25 and 40, Quarter Century Club Membership and seniority (Article 64).)

4.5 “Eligibility Service” or “Continuous Employment” for Pension Purposes

Generally, it is the number of years (including a portion of a year) a pension plan member has been continuously employed in which there has been no break in employment exceeding 12 months. It includes previous Ontario Hydro/Hydro One pensionable service which has been reinstated; external service which has been transferred into the pension plan under a reciprocal pension transfer agreement; and periods of pregnancy/parental leave. It may include certain types of non Hydro One regular service purchased under special provisions. It generally excludes leaves of absence without pay except where the employee elects to pay the pension contribution. The exceptions are detailed in the pension rules.

Eligibility Service (ES) is used as an eligibility criterion for early retirement and the associated early retirement discounts; and in conjunction with Membership Service (i.e., the service subsequent to the date actually joining/started contributing to the Plan) and Age, to determine death and termination benefit entitlements.

5 TEMPORARY ASSIGNMENTS

There may be instances when employees are temporarily removed from their normal duties to perform work outside of the Society's bargaining unit. Likewise, employees from outside of the bargaining unit may be assigned temporarily to work within the Society's bargaining unit.

In such instances, the parties agree that:

5.1 Employees Temporarily Excluded from Society Jurisdiction

5.1.1 The Society shall be given prior notice of any temporary assignment exceeding three months' duration that Hydro One considers outside the bargaining unit, along with a rationale for the proposed exclusion.

5.1.2 The Society shall continue to represent employees who have been temporarily removed from their regular positions to perform work outside the bargaining unit for the first three months of the temporary assignment. Dues shall be deducted and remitted to the Society for the three month period.

5.1.3 Except where otherwise specified in this Agreement, Society-represented employees who are temporarily assigned to positions outside the bargaining unit shall have access to all benefits, plans or entitlements under Part X (Health Benefits), Part VII (Pension and Insurance), Part XI (Relocation Assistance), and Articles 64 (Redeployment, Surplus Staff and Change of Employer) and 65 (Vacancies) of the Collective Agreement for the full duration of the assignment.

5.2 Employees Temporarily Included in Society Jurisdiction

5.2.1 Hydro One personnel from outside the Society's bargaining unit who are temporarily assigned work within Society jurisdiction shall be represented by the Society for that portion of the assignment extending beyond three months, and dues shall be deducted for the period beyond three months.

5.2.2 During the period of Society representation, temporarily included employees shall be subject to the provisions of the Collective Agreement, but the following shall not apply:

- Article 31 (Performance Pay Plan)
- Part IX (Absence from Work)
- Part X (Health Benefits)
- Part VII (Pension and Insurance)
- Part XI (Relocation Assistance), except for Article 55 (Compensation when Assigned to Temporary Work Headquarters)
- Part XIII (Working Conditions) except for vacancy rights pursuant to Clause 65.6.3.g
- Other provisions or agreements to the extent they concern the above

5.3 Grievance

The Society's Complaint and Grievance/Arbitration procedure shall apply to any dispute relating to an applicable provision of the Society's Collective Agreement, including any dispute as to whether the Collective Agreement is applicable in the circumstances. The employee and/or the employee's bargaining agent retain any rights in respect of terms and conditions of employment to which the Society's Collective Agreement does not apply.

6 EMPLOYEES ON TEMPORARY OUT-OF-PROVINCE ASSIGNMENT

6.1 Terms and Conditions of Employment During Assignment

6.1.1 When a Society-represented employee accepts a temporary assignment outside Ontario, the employee:

- a) retains his/her status as an employee of Hydro One;
- b) continues to accrue service credit for all purposes under Article 4 of the Collective Agreement;
- c) is required to pay Society dues during the term of any assignment beginning on or after January 1, 1995.

6.1.2 The employee remains represented by the Society until he or she begins this assignment. When an employee accepts a personal services contract, that contract together with this Article shall constitute the employee's complete terms and conditions of employment for the full term of the assignment. Hydro One will advise the Society after a personal services contract with a Society-represented employee is signed.

6.1.3 Hydro One will indemnify, or cause to be indemnified, each employee who, in the course of work on temporary out-of-province assignment, becomes subject to a claim made against him/her or to a threat of discipline from an association with statutory power to apply professional standards. Article 13 will apply unless indemnification provisions specific to a given contract or project are identified in the personal services contract.

6.2 Filling the Pre-Assignment Position

Before the employee commits to the assignment, Management will determine whether it intends to fill the position on a temporary or regular basis and discuss the decision and rationales with the employee. Hydro One will inform the employee of any intent to change this plan while the employee is on an out-of-province assignment.

6.3 Redeployment Upon Completion of Assignment

6.3.1 The line manager in the employee's pre-assignment Business Unit shall provide or shall identify appropriate personnel to provide the returning employee with employment-related information and assistance and to carry out the provisions of this Subsection upon completion of the assignment and return to Ontario.

6.3.2 When the employee's pre-assignment position with Hydro One continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.

6.3.3 When the employee's pre-assignment position with Hydro One no longer exists or has been filled regularly, and the employee is not surplus by operation of Article 64, the employee shall be placed in an Hydro One vacancy for which he/she is qualified, in the following order:

- a) a lateral vacancy within the employee's pre-assignment Business Unit at the pre-assignment location;
- b) within the pre-assignment Business Unit, a choice of a lateral vacancy at a new location, or a vacancy within two salary grades lower at the pre-assignment location;
- c) within the pre-assignment Business Unit, a vacancy within two salary grades lower, in a new location;
- d) redeployment in accordance with Article 64.

6.3.4 Placements under Subsection 6.3.3 (a), (b) or (c) above are exceptions to Hydro One posting requirements, consistent with Subsection 65.6.1 (b).

6.3.5 When there is a reasonable expectation that an employee will be placed in a different position upon return from a temporary out-of-province assignment, Hydro One will identify and notify the employee of potential placements. An employee who is not placed within 30 days of completion of the assignment and return to Ontario shall have the right to be redeployed in accordance with Article 64.

6.4 Employment Continuity During Temporary Out-of-Province Assignment

6.4.1 Employees on temporary out-of-province assignments will be neither advantaged nor disadvantaged with respect to rights under *Article 64* upon return from the assignment. When an employee's pre-assignment position has been included in a Unit of Application for redeployment under Article 64, the employee will be redeployed in accordance with Article 64.

The Joint Redeployment and Planning Team (JRPT) will consider issues such as:

- the number of employees within the unit of application who are on temporary out-of-province assignments;
- the duration of the assignments;
- the seniority of the affected employees;
- the qualifications of the affected employees;
- the ability to factor the employee into the on-going joint planning efforts (i.e., will the employee be returning during or shortly after the joint planning process);
- the ability to fill positions in the new organization on a temporary assignment basis in order to accommodate a returning employee;
- the need to fill positions in the new organization on a continuing basis;
- the need to keep employees apprised of developments within their unit of application that may impact on their job status during the assignment.

6.4.2 If an employee is declared surplus while he/she is on temporary out-of-province assignment, the employee will be notified and all surplus entitlements will be deferred until the employee completes the assignment and returns to Ontario.

6.4.3 An employee on temporary out-of-province assignment who is subject to redeployment under Article 64 in his/her absence and the JRPT determines:

- a) the employee would have been matched to a position by virtue of seniority and qualifications and is, therefore, deemed not surplus; and
- b) the employee will not be matched in the redeployment; then the employee will be entitled to treatment under Section 6.3 above.

7 LETTERS OF UNDERSTANDING

7.1 Letters of Understanding will form part of this collective agreement. Letters of Understanding are found in Part XVI.

7.2 Letters of Understanding

7.2.1 Intent

A Letter of Understanding may serve the following purposes:

- amend or add to the current provisions of the agreement;
- elaborate/clarify the intentions of a provision of the collective agreement
- establish provisions for issues not covered by the agreement

7.2.2 Grievance/Arbitration

Letters of Understanding are subject to the same grievance and arbitration provisions as are other items in the collective agreement

7.2.3 Approval

Letters of Understanding must bear the signatures of both the Vice-President Labour Relations (for Hydro One) and the Local Vice-President (for the Society) or their designates.

7.2.4 Duration

The parties agree that, for the most part, Letters of Understanding should contain "sunset clauses". In those cases where such a clause has not been put into a Letter of Understanding, the Society and Hydro One will at some time during collective agreement negotiations determine the status of each such Letter of Understanding (e.g., incorporate in to the collective agreement, delete it, extend it, etc.).

PART III - VOLUNTARY RECOGNITION AGREEMENT

8 VRA AMENDMENTS

A Voluntary Recognition Agreement (VRA) between Ontario Hydro and the Society came into effect on January 14, 1992. A complete text of the VRA between Ontario Hydro and the Society is found in Appendix IV. The VRA, as amended in this Article, is applicable to Hydro One. The VRA shall remain in effect thereafter except for Sections 4.0 and 5.0 of the VRA (outlined in Articles 14 and 15 of this Agreement) which may be terminated by written notice by either party not less than six months prior to the expiry of the Collective Agreement in operation on January 1, 2005 or any subsequent Collective Agreement. On January 6, 2003, Hydro One provided the Society with written notice of termination of paragraphs 4.0 and 5.0 of the VRA.

In the event that either party desires to amend the VRA on or after January 1, 2005, it must notify the other party in writing not less than six months prior to the expiry of the Collective Agreement in effect on January 1, 2005 or thereafter six months prior to the expiration of any subsequent Collective Agreement. In such circumstances the parties will have the right, if either party so chooses, to appoint a mutually agreeable mediator for the purpose of reaching a settlement of

the issues and where there is mutual agreement the mediator shall arbitrate outstanding matters in dispute.

Notwithstanding the above, the parties may mutually agree to amend the VRA at any time.

8.1 Supervisory Employees

For the purposes of this Article, the parties agree that Supervisory positions are those that are not excluded under Article 2.0 above and that satisfy the following criteria:

- a) Employees on Salary Schedule 01 who under Plan A "Nature of Supervision" have either Degree 3 (or higher) or its equivalent;
- b) Employees on Schedules 02 or **03 on** condition they normally supervise other employees.

PART IV - COLLECTIVE AGREEMENT TERM - NO STRIKE/NO LOCKOUT

9 COLLECTIVE AGREEMENT TERM - NO STRIKE/NO LOCKOUT

9.1 This Collective Agreement shall remain in effect from ***July 1, 2007 to March 31, 2013***, inclusive and, thereafter, shall be renewed automatically from year to year, subject to Section 4.0 of the Voluntary Recognition Agreement (VRA) as amended in the Collective Agreement, unless either Party notifies the other in writing not less than 90 days prior to the expiration of the Collective Agreement that it desires to amend the Collective Agreement.

9.2 No Strike/No Lockout

The Society, employees within the scope of the bargaining unit, and Hydro One are pledged to the effective and efficient operation of Hydro One and they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production during the term of the Agreement.

Nothing in this Collective Agreement is intended to interfere with the exercise of lawful economic sanctions under the *Ontario Labour Relations Act* and the *Canada Labour Code* by any member of the bargaining unit or bargaining units as the case may be or by the Society itself should either party to the Agreement elect to terminate Sections 4.0 and 5.0 of the Voluntary Recognition Agreement.

9.3 Transition Provisions

9.3.1 The following transitional provisions have no application to any person who was not an employee on January 1, 1999.

9.3.2 The term "bargaining unit" for the purposes of Section 9.3 herein ("this Section") will mean the Society bargaining unit with one of Ontario Power Generation Inc. (Nuclear), Ontario Power Generation Inc. (Non - Nuclear), Hydro One Inc., Independent Market Operator or Electrical Safety Authority.

9.3.3 After December 31, 2002, an employee in a bargaining unit who is declared surplus, who is eligible to exercise rights under *the* "Pre Mix and Match Surplus Declarations" LOU (dated March 31, 1995) or who has recall rights is eligible to apply to posted vacancies in another bargaining unit. Such applicant will be given fair and objective consideration for employment before new hires. A successful applicant will transfer his or her service to the new Employer in accordance with paragraph 9.3.5, below. No employee hired under this provision will be entitled to any relocation or moving expense under the provisions of any Collective Agreement.

9.3.4 An employee in a bargaining unit, to the extent he/she is not subject to other selection – provisions in this Section, may apply for posted vacancies and placement in another bargaining unit as an external applicant on the basis of Article 65.6.3(h).

- 9.3.5 Any successful applicant to a position in another bargaining unit shall transfer all accumulated service, vacation, seniority, pension, and sick leave credits as set out in Articles 4 (“Service Credits”), 44 (“Sick Leave Plan”) and 64 (“Redeployment, Surplus Staff Procedure and Change of Employer”) to the new employer. The employee shall be reimbursed by the former employer for all his or her outstanding accumulated vacation, including current year, bonus, banked and deferred vacation, as applicable under Article 40 (“Vacation”) according to the collective agreement with the former employer. The provisions of this paragraph also apply to employees changing bargaining units pursuant to LOU #6.
- 9.3.6 Priority consideration for vacancies and service credit transfer under this Article shall only apply where it is reciprocated in the collective agreement of the bargaining unit from which the employee is applying/transferring.

PART V - UNION SECURITY

10 SOCIETY MEMBERSHIP AND DUES DEDUCTION

10.1 Membership in the Society

The Society agrees to permit members to withdraw from membership in the Society.

10.2 Dues Deduction (Rand Formula)

Society dues, as prescribed by the Society Constitution, or an equivalent amount, shall be deducted monthly (or more frequently if agreed) by Hydro One by compulsory payroll deductions from all Society-represented employees and shall be forwarded to the Society on their behalf with a list of appropriate employee information.

The Society confirms it will respect the applicable provisions of the *Ontario Labour Relations Act (RSO 1990)* and the *Canada Labour Code* with respect to bona fide religious convictions or beliefs.

11 PRINCIPLES REGARDING INVOLVEMENT WITH RESPECT TO SUCCESSOR RIGHTS

Consistent with the parties' commitment to deal with issues in an open and co-operative manner with the earliest possible involvement of each party, the parties have developed the following principles and intent:

- a) Prior to the finalization of negotiations that could lead to the sale of all or part of the business, privatization of all or part of a Business Unit, the creation of joint ventures or partnerships or other enterprises which could adversely impact on the Society's bargaining rights or the contractual rights of its members, the Society will be consulted to the extent that circumstances reasonably permit. The Society agrees that confidentiality will be maintained.
- b) The parties agree to attempt to minimize the negative impacts on Hydro One employees in these circumstances.
- c) Hydro One agrees to apprise any external third party involved in negotiations that Hydro One has employees represented by the Society and Hydro One will undertake to provide the Society with an opportunity to present its interests to the third party.

PART VI - DISPUTE RESOLUTION PROCESSES

12 No DISCRIMINATION

12.1 Human Rights

Every employee has a right to be free of harassment and discrimination in the workplace on the basis of prohibited grounds, as outlined in the Hydro One Human Rights Policy. An employee who has a harassment or discrimination complaint on the basis of these grounds will have access to Hydro One's Human Rights and Harassment Complaints resolution policy process or the grievance process.

Any Society-represented employee involved in Hydro One's Human Rights and Complaints process may consult with and be accompanied by a Society representative if he or she chooses to do so. No record of a complaint will be maintained in an employee's personnel file, except in the case of individuals who have received disciplinary action. Any person against whom a formal complaint is filed must be given particulars of the complaint.

As long as an employee has an active complaint of discrimination or harassment on the basis of prohibited grounds, either under Hydro One's Human Rights and Complaints process or with the Human Rights Commission, the Society will not make such a complaint or Hydro One's process the subject of a grievance on the employee's behalf.

12.2 Union Activity

Hydro One shall not discriminate against an employee on the basis of membership or activity in the Society. An employee who has a complaint of such discrimination shall have the right to seek redress under the Grievance and Arbitration Procedure.

13 EMPLOYEE INDEMNIFICATION

13.1 Hydro One will provide assistance and financial indemnification to an employee who, as a consequence of performing the normal duties of his or her job for Hydro One, is made, or threatened to be made, a party to a civil action or a criminal proceeding (other than for offences under the Criminal Code of Canada) or quasi-criminal proceeding, or other administrative proceeding (such as formal complaint filed with the Human Rights Commission), or is subject to a threat of discipline or actual discipline from an association that is empowered by statute to regulate professional standards. This assistance will include independent legal representation at Hydro One's expense, subject to Hydro One's approval of the employee's choice of his/her counsel.

Notwithstanding the above paragraph, Hydro One will not provide financial indemnification to an employee considered by Hydro One to have acted with dishonesty, bad faith, or with intentional or reckless disregard for the best interests of Hydro One.

An employee who is subject to prosecution under criminal law (Criminal Code of Canada) as a consequence of performing the normal duties of his/her job and found to be not guilty, or against whom charges have been dropped, may receive financial indemnification.

14 VOLUNTARY RECOGNITION AGREEMENT DISPUTES

14.1 Enforcement

The primary method of enforcement of the Voluntary Recognition Agreement shall be pursuant to the grievance and arbitration provision in this Collective Agreement. However, should the Collective Agreement not be in operation or applicable to the dispute, either party shall have the right to refer to final and binding arbitration any differences between the parties arising from the interpretation, application, administration or alleged violation of the Voluntary Recognition Agreement, including any question as to whether a matter is arbitral.

Subject to the conditions of this Agreement, if a mediator or arbitrator is not appointed within 30 days of a matter being referred to mediation and/or arbitration, either the Society or Hydro One shall have the right to refer the matter to the Minister of Labour (provincial or federal) or the Chief Justice of the Ontario Court of Justice and the Minister or Chief Justice shall appoint a mediator and/or arbitrator. The arbitrator will have the power accorded under the *Ontario Labour Relations Act* and the *Canada Labour Code*.

15 HEALTH AND SAFETY DISPUTES

15.1 Except for disputes involving the principles set out in the Tripartite Agreement on Joint Health and Safety Committees, all other disputes involving allegations that Hydro One has violated the provisions of the *Occupational Health and Safety Act (OHSA)* will not be subject to the provisions of the grievance/arbitration procedure except where provided for by the legislation itself. The parties will attempt to resolve such disputes at the lowest level possible. Failing resolution, the dispute may be forwarded to the Ministry of Labour for final resolution.

15.2 Disputes which involve interpretations about Sections of the OHSA, or any of its associated regulations will be resolved in accordance with the procedure set out in the joint agreement "*Handling Legislative and Regulatory Impasses Pertaining to the Occupational Health and Safety Act and its Associated Regulations*" dated December 5, 1991.

16 COMPLAINT AND GRIEVANCE/ARBITRATION PROCEDURE

16.1 Preamble and Principles of Operation

The following procedure for dispute resolution consists of three elements: a complaint process, a grievance procedure and an arbitration process. These processes will be used by the Parties in order to resolve complaints and grievances submitted by Society-represented staff, the Society, or Hydro One unless the parties have expressly agreed elsewhere in this Agreement on alternate dispute resolution processes to limit the scope of the grievance/arbitration procedure.

Early discussions and resolutions at the lowest level possible are encouraged because this leads to addressing issues before a grievance is lodged. The Parties also recognize that early and open discussions are key to maintaining a positive working relationship.

The Parties recognize the need for open and honest discussions at all levels of the complaint and grievance process. These discussions will allow for a common

understanding of all the facts and will enhance the chance of a mutually acceptable resolution.

This process should have the flexibility to respond to the advantages gained through a problem-solving approach to dispute resolution.

This process is designed to be simple, efficient, and understandable for all parties involved.

16.2 Definitions

a) Employee Complaint

An employee complaint is a claim of unfair treatment that an employee has requested the Society to present on the employee's behalf. An employee complaint which does not meet the criteria of an employee grievance shall not be subject for the grievance/arbitration procedure.

b) Employee Grievance

An employee grievance is defined as any dispute between Hydro One and the Society arising from the application, administration, interpretation or alleged violation of the Collective Agreement, or unreasonable exercise of Management discretion in the administration and application of the collective agreement. An employee grievance shall be filed at Step 2, normally following consideration of an employee complaint at Step 1.

c) Group Grievance

A Group grievance is defined as any dispute between Hydro One and the Society arising from the application, administration or alleged violation of the Collective Agreement, or unreasonable exercise of Management discretion in the administration and application of the collective agreement relating to the same dispute by more than one employee. A Group grievance shall be filed at Step 2. Grouped complaints will normally be considered at the Complaint Step if the employees report to a single supervisor.

d) Policy Grievance

A Policy grievance is defined as any dispute between Hydro One and the Society arising from matters of application, administration, interpretation, or alleged violation of the Collective Agreement. A policy grievance shall be filed at Step 2, and must be filed within 60 days after the circumstances giving rise to the grievance have come or ought to have reasonably come to the attention of the Society.

e) Management Grievance

Hydro One may present to the Society any complaint with respect to the conduct of the Society. If such a complaint is not resolved, it may be treated as a grievance and referred to arbitration under the provisions of this Article.

16.3 Scope Notes – Grievance and Arbitration

16.3.1 Grievances concerning personal performance appraisals which are not related to the interpretation or application of Article 19 are not arbitral. These

grievances will be processed up to and including step 2 of the grievance process.

If a grievance concerning an employee's performance appraisal cannot be resolved by the step 2 Committee, the performance assessment, which includes the employee's comments, will stand as a record of that year's appraisal.

- 16.3.2 Grievances related to selections based upon Article 65.6.4 may be processed through the grievance/arbitration process. If the arbitrator rules the process for selection was unfair, the arbitrator is limited to ordering a new selection process take place.
- 16.3.3 Disputes concerning Article **90** relating to the Occupational Health and Safety Act or Part II of the Canada Labour Code will normally be referred to the Ministry of Labour consistent with Article 15.
- 16.3.4 Both Hydro One and the Society have access to the grievance/arbitration procedure for disputes arising from the application of Part II (Recognition).
- 16.3.5 The grievance/arbitration procedure may be used to challenge any unreasonable, arbitrary or bad faith action taken by Hydro One which results in the exclusion of any employee or position from the bargaining unit. The Parties will attempt to resolve disputes expeditiously. The Society may initiate an unresolved dispute as a Policy Grievance.

16.4 Timeliness\

The grievance procedure shall proceed without unnecessary delay. It is recognized that in some cases strictly enforced time limitations may interfere with a mutually acceptable process of fact-finding or problem resolution. However, either Party may invoke a time limitation upon five (5) days' written notice to the other Party. Except by mutual agreement, time limits for initiating a complaint/grievance, however, must be adhered to.

16.5 Step 1: Employee Complaint

- a) The Society will file an employee's complaint with the local line manager within 30 working days of the date the employee should reasonably have been aware of the action or decision giving rise to the complaint. The Society will provide a form outlining the grievor's complaint, proposed resolution and will identify the employee's society representative.
- b) An employee's complaint must normally be raised with the employee's supervisor and/or Society delegate and every effort should be made to resolve it informally. Hydro One will provide independent facilitation where the Parties agree that this is a reasonable approach to resolving the complaint.
- c) Where mutually agreeable, the Society may initiate an employee grievance arising from disciplinary suspension or discharge directly at Step 2.
- d) Local management and the Society representative will meet to attempt resolution within ten (10) working days of the date that the complaint is filed. Where mutually agreeable, the employee may attend the Step 1 meeting. Any resolution at Step 1 will be without prejudice and will not constitute a precedent in any other matter between the Parties except by written agreement.

16.6 Step 2: Meetings Of The Standing Grievance Settlement Committee (“GSC”)

- a) The Society may file an employee’s intent to grieve, with the grievor’s manager, within ten (10) working days of the step 1 meeting. The Society will file all Step 2 grievances within 30 working days from the 1st Step meeting. A policy grievance shall be initiated at step 2. The grievance form will indicate the articles in issue, outline the grievance and wherever possible, propose a resolution.
- b) Where a grievance is based upon discrimination or harassment, the parties will attempt to incorporate the following elements into the fact-finding :
 - i) the use of a neutral investigator agreeable to both parties;
 - ii) consideration of reports from preceding investigations;
 - iii) interviews with affected employees;
 - iv) mediation, if deemed appropriate by the parties upon consent of the affected employees.
- c) The parties will form a standing grievance settlement committee that will regularly schedule one meeting day every other month to attempt settlement of the grievance before it. Each party will appoint 3 standing members to the GSC. Each GSC shall comprise 1 standing member from each of the parties. These appointees must be representatives with decision-making authority.
- d) GSC hearing dates shall be determined and published annually on a calendar basis.
- e) Grievances heard by the GSC may be resolved by written agreement of the GSC. Unresolved grievances may be referred to expedited arbitration.

16.7 Grievance Arbitration

16.7.1 Expedited Arbitration

- A. Subject to Subsection 16.7.2, either Party may refer an unresolved grievance to expedited arbitration within 10 working days following the end of the Step 2. Expedited Arbitration shall be by a single arbitrator chosen by mutual agreement from the list at Article 16.7.5.
- B. Multiple cases will be heard on each day of expedited arbitration.
- C. Written briefs will be exchanged between the parties 1 week in advance of the expedited arbitration. Copies of the briefs will be forwarded to the arbitrator 1 week in advance of the hearing.
- D. The arbitrator will rely upon the briefs as much as possible and witnesses will only be called if required by the arbitrator.
- E. Expedited arbitrations will be held in alternating months in which the GSC hears grievances.

16.7.2 Regular Arbitration

- A. Unless the parties agree that expedited Arbitration is appropriate, Grievances based upon i) discharge/discipline, ii) harassment or discrimination, iii) policy grievances or iv) any other grievance the parties agree is not suitable for expedited arbitration, will be referred to a mutually agreeable arbitrator as per Article 16.7.5. Either party may refer an unresolved grievance to a single arbitrator within 10 days of the Step 2

meeting. Regular arbitration shall be scheduled within 60 days of the referral to arbitration.

16.7.3 General

- A. Each Party shall assume its own costs of the arbitration proceedings and shall share equally the cost of the arbitrator.
- B. An arbitrator shall consider any difference which arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this agreement has been violated. An arbitrator shall also consider any matter of interpretation, application, and administration of policy and practice as may be referred to him/her by employee grievance. An arbitrator shall consider only such evidence as is presented to him/her by representatives of Hydro One or the Society.
- C. The arbitrator shall have the power to settle or decide such matters as are referred to him/her in a fair and equitable manner, and the arbitrator's decision shall be final and binding. An arbitrator shall not have the power to amend or terminate this Agreement, policies, or procedures save only any policies and procedures which may conflict with the terms of this Agreement.
- D. If mutually agreeable, the arbitrator may be requested to act as a mediator prior to formally commencing the arbitration.
- E. All arbitration decisions shall be delivered to the parties within 10 days of the arbitration hearing

16.7.4 Arbitrators

The following individuals are to be used as arbitrators if mutually agreed to:

Michel Picher
Jane Devlin
Jules Bloch
Rob Herman
Kevin Burkett

17 DISCIPLINE AND DISCHARGE

- 17.1 No employee, except as noted below, shall be disciplined or discharged without just cause.

When disciplining or discharging probationary employees for just cause, it is recognized that the probationary period is an extension of the selection process and that these employees have short service. Therefore, the threshold for discipline and discharge may be less than that of a regular employee in similar circumstances.

- 17.2 An employee is entitled, prior to the imposition of discipline or discharge, to be notified at a meeting with Management of the reasons for considering such action, unless he/she is a danger to himself/herself or others. A Society representative may be present at such a meeting if the employee so desires. If the employee does wish representation, the Unit

Director or the Society Office will be advised in advance by Management of the time and place of the meeting.

- 17.3 Where an employee is required to participate in an interview in circumstances where discipline is likely to follow for such employee, the employee shall be advised of his or her right to have a Society representative present, and to have such a representative present during the interview if he or she chooses.
- 17.4 Disciplinary penalties resulting in a suspension without pay will not be imposed until a final decision (agreement between the Society and Hydro One or an arbitrator's decision) has been reached.
- 17.5 Employment File
- a) Documents communicating discipline and discharge will be maintained in the employee's official employment file (normally 901 file).
 - b) Unless otherwise agreed to, after documents communicating discipline have been on an employee's file for a maximum of two years, and there have been no further disciplinary occurrences, then the documents communicating discipline will be removed
 - c) Employees shall be allowed access to their own personnel files. Employees should submit the written request to their supervisor. Review of the file shall be carried out in the presence of the supervisor or human resources contact. Additions or deletions to the file shall be made only with the approval of the supervisor and the human resource contact.

18 PRINCIPLE AND PROCESS OF PRIOR INVOLVEMENT IN JURISDICTIONAL ISSUES/DISPUTES

- 18.1 Hydro One should advise the Society and provide an opportunity for its involvement at the appropriate organizational level (e.g., Hydro One, Business Unit, Division, Station) prior to making any final decision which could adversely affect the Society's jurisdiction.

The Society's jurisdiction may be adversely impacted by an organizational or operational changes, including technological changes, workload changes, and business process re-engineering. The Society's jurisdiction is adversely impacted by any assignment of functions customarily done by Society-represented employees to persons or employees outside of its bargaining unit and/or reduces the proportion of work customarily performed by Society-represented employees relative to that done by persons or employees outside of its jurisdiction.

- 18.2 Prior to making a final decision that could adversely impact the Society's jurisdiction, at the request of either party, Hydro One will establish a joint team with the Society which will review relevant facts and issues. In the event that the jurisdiction of another union is affected by this decision, the Society and Hydro One will strive to include a representative of this union in the review team. The criteria considered by the joint or tripartite review team will include the following:

- representational rights
- skill and training
- safety

- economy and efficiency
 - past practice
- 18.3 The parties agree to make their best efforts to reach consensus on issues affecting the Society's jurisdiction which will form the basis of recommendations to Senior Management.
- 18.4 In the event that consensus is not reached on issues affecting the Society's jurisdiction or Senior Management rejects the joint/tripartite team's recommendation(s), Hydro One will make the final decision and will provide written rationale for the decision to the Society.
- 18.5 The principle and process set out in 18.1 to 18.4 are not grievable with the exception of Hydro One's final decision. The recommendations of joint tripartite teams are without prejudice and cannot be relied upon at grievance/arbitration or before any labour relations board.

19 PERFORMANCE APPRAISAL FEEDBACK AND ADVANCED WARNING OF REDUCED PERFORMANCE PAY STANDING

19.1 Principles

- 19.1.1 Supervisors are expected to ensure all employees understand what is expected of them, encourage ambitious goal setting, stress accountability for results, and tolerate honest mistakes but not poor performance.
- 19.1.2 The Performance Appraisal process will be conducted in an atmosphere of mutual respect and empathy to encourage a positive two-way communication session. The employee should be given adequate notice and time to prepare.
- 19.1.3 The supervisor will endeavour to provide recognition to employees commensurate with contribution and performance. Performance expectations should be guided by the job document, work program of the unit and the employee's length of service in the job.
- 19.1.4 The supervisor should communicate on an ongoing basis and counsel the employee toward improved performance. Also, opportunities for improvement, training, performance counselling, assistance and sufficient opportunity and time to raise performance to the level required, should be part of the building blocks for the future.
- 19.1.5 The employee is responsible for recognizing that a problem exists and making a joint commitment to improve performance, or to jointly look at other alternatives, such as job skill match, etc.
- 19.2 Every employee has the right to an annual assessment with written feedback of his/her work over the preceding twelve (12) months.
- 19.3 Employee must be provided with a written record of the performance appraisal. Employees should receive written confirmation that the performance appraisal has taken place, and a statement of the employee's **step standing** as of the next **"anniversary" progression** date.

19.4 **Performance Management**

- a. If an employee fails to make satisfactory progress, his/her progression may be withheld for a period of six months.*
- b. In taking this action, the Employer shall provide the employee with one month's notice with written reasons for withholding the progression and what is required to rectify the unsatisfactory performance.*
- c. The performance of an employee whose progression has been withheld as above will be reviewed within six months. If progress and general performance are found to be satisfactory, progression shall be granted and the review date becomes the employee's new anniversary date. However, if progress and general performance are not satisfactory, the employee shall be either transferred or dismissed.*
- d. If six months after the review his/her performance has continued to be satisfactory, he/she may be granted the next step in his/her progression. This will then re-establish his/her original progression status.*

20 **ROLE OF SUPERVISORS**

- 20.1 As members of Hydro One's managerial staff, supervisory employees have a role to play in the resolution of disputes in their work units before they reach the grievance/arbitration procedure. In the event that a dispute reaches the grievance/arbitration procedure, the Society agrees not to discriminate against supervisors who represent Management in Society grievances.
- 20.2 The Society will exclude supervisors directly involved in a particular grievance from the decisions on the referral of the grievance through the grievance/arbitration procedure. Supervisors will not act on behalf of the Society in matters associated with a particular grievance where the grievance has been lodged by another member(s) who reports to the particular supervisor.
- 20.3 **Society Representatives**

A Society representative will be granted reasonable time off from normal duties and have normal base earnings maintained while acting as a Society representative in any of the steps of the grievance procedure or when required by Management to be a participant in arbitration proceedings under Articles 16, 19, and 64. Requests for time off will be made to Labour Relations, Hydro One Human Resources.

PART VII – PENSION AND INSURANCE

21 LIFE INSURANCE

21.1 The benefits and terms and conditions of the benefit entitlement for group life, living benefit and spousal life insurance for employees are as described in: the Collective Agreement; the brochure entitled “Group Life Insurance, Living Benefit and Spousal Life Insurance, updated May 31, 2000”. These documents, by reference, form part of the Collective Agreement. The benefits and terms and conditions of benefit entitlement as described in the above documents can be changed by mutual consent only.

21.1.1 The employee will be required to submit evidence of insurability if a re-election results in total increased insurance coverage.

21.1.2 Any re-election shall become effective on the January 1st following the year in which the re-election is made or on the date of approval by the insurer of any required evidence of insurability, whichever is later.

21.2 Life Insurance Options

Option	Basic Term Insurance ¹	Additional Term Insurance ²
I	Two Times Base Salary	Nil
II	Two Times Base Salary	One Times Base Salary

21.3 An employee is eligible to purchase additional term life insurance in blocks of \$10,000 to a maximum of \$150,000 at no cost to the employer. ***Effective April 1, 2008, the Employer will no longer subsidize the cost of optional life Insurance.***

21.4 An employee who meets the following criteria shall be eligible to cash out 50% of his/her total claim value to a maximum of \$50,000.

Criteria:

- the illness must be terminal with death likely to occur within 24 months;
- Hydro One’s consent is required;
- the consent of the employee;
- the beneficiary must have reached the age of majority; and
- the employee must be competent and able to understand a transaction of this nature.

Payments must be processed as a loan and interest charged to avoid making the payment a taxable benefit to the employee.

¹ Basic Term Insurance is composed of term insurance equal to base annual earnings raised to the next \$500.00 and multiplied by 2.

² Additional Term Insurance is the optional term insurance which an employee may elect in addition to the basic insurance coverage. It is equal to base annual earnings raised up to the next \$1,000.00.

When death occurs, the advance payment plus accrued interest is deducted from the claim value.

21.5 Spousal Insurance

21.5.1 Only spouses of active employees are eligible.

21.5.2 Insurance is available in units of \$10,000 to a maximum of \$150,000 (or 15 units).

21.5.3 The entire cost, including administration costs, will be paid by the employee.

21.5.4 The participation rate will have to be 20-30% otherwise proof of insurability will be required.

21.5.5 The premium rate will be different from the rate for employees, and will be experience rated. The premiums would then vary from year to year based on the experience of the previous year.

21.6 Dependent Insurance

21.6.1 Effective March 1, 2002 employees may purchase life insurance for their eligible dependents in the amounts of either \$10,000 or \$25,000 as detailed by the Insurance Carrier and at no cost to the employer.

22 PENSION PLAN

The Hydro One Pension Plan (Registration #1059104) constitutes the present Pension Plan and forms part of this collective agreement. The provisions of the Pension Plan are generally described in the brochure "A Guide to your Hydro One Pension Plan" (June 23, 2002).

Changes to the Pension Plan affecting Society-represented members of the plan, other than legislative changes, shall be made only upon mutual consent. It is agreed that normal administrative matters such as changing financial advisors are not considered to be changes to the Pension Plan, subject to any understanding, agreement or decision to the contrary with the PWU.

22.1 The employer shall not request legislation, regulations, or Order-in-Council approval or make rules which would change pension benefits, unless upon mutual consent. Moreover, the employer shall not seek legislation to change access to surplus unless upon mutual consent.

22.2 Any changes to actuarial assumptions used for the purpose of filing a funding valuation shall be discussed with the Society prior to filing. The Society reserves the right to challenge the actuarial assumptions used for such filing.

22.3 Buy-Back of Hydro One and External Service

The following shall apply after the Pension Plan Rules are changed:

- a) Employees will be able to purchase the following service on an actuarial basis at no cost to Hydro One, provided the employee provides evidence of such service satisfactory to Hydro One:
- i) summer and co-op students ;
 - ii) casual construction;
 - iii) temporary employees;
 - iv) leaves of absences;
 - v) pregnancy/parental leaves;
 - vi) broken service;
 - vii) external service (see (b) below)
- (iv), (v) and (vi) above are enhancements to current provisions.
- b) This provision will be subject to restrictions of the *Income Tax Act* (Canada) and all applicable provincial or federal pension legislation. (For example, external service prior to 1992 can only be purchased if there was a reciprocal agreement with the former Employer in existence at the time and still exists.)
- c) For the purposes of this section, “service” shall mean service with Ontario Hydro prior to April 1, 1999 or service with Ontario Hydro’s successors after April 1, 1999.

22.4 Retirement Bonus

Employees who have completed 10 years or more of continuous employment shall be given, upon retirement, a cash bonus equal to one month’s pay. The retirement bonus may be paid in cash or by transfer to an employee’s Registered Retirement Savings Plan (RRSP) , at the employee’s option.

22.5 Pension Committee

The parties agree to establish a committee to:

- provide a forum for the discussion of Society issues and concerns related to the operations of the pension administration unit;
- provide a forum for the discussion of contractual obligations (e.g. the introduction of new amendments to the plan, discussion of actuarial assumptions used for funding valuations);
- provide the Society with information on pension related issues that may be of assistance in educating their members;
- provide a forum to review valuations filed with FSCO or valuations to be used to trigger increased employee contributions and annual pension plan financial statements that have been approved by Hydro One.

In order to fulfill its purpose, the committee members and resource persons will have access to reasonable pension plan and pension fund information, subject to the understanding that certain confidential information will not be available, and any confidential information that is supplied will be maintained in strict confidence by the committee/resource persons.

The Committee will be comprised of two Society representatives and two Employer representatives. Each party shall have the right to have a reasonable number of resource persons attend the meeting. The Committee shall meet twice per year.

- 22.6 Society members of the Hydro One Pension Plan, whose pension income as a pensioner will exceed the limits prescribed by the Income Tax Act (ITA) for pension paid from a registered pension plan, are eligible for the Supplementary Payment Schedule (SPS). The SPS tops up the amount one receives from the Hydro One Pension Plan to the amount one would receive if there were no ITA limits.
- 22.7 Hydro One shall exercise reasonable efforts to establish reciprocal transfer agreements with its successor companies or companies with whom it forms partnerships or joint ventures.
- 22.8 Plan Formula

(This Section does not apply to regular employees hired on or after November 17, 2005).

Effective January 1, 2004, the CPP integration adjustment factor shall be reduced from .625% to .500%. Employees' contributions shall increase by .5% if and when the assets fall below 106% of the liabilities based upon a solvency valuation and shall continue until the assets are at or above 106% based upon a solvency valuation, and shall thereafter be in place or not based upon whether the assets are below, or at or above, 106% of the liabilities based upon a solvency valuation.

Clarity Note #1:

Hydro One may trigger the provision for increasing employee contributions as described above ("provision") by filing a valuation with the Financial Services Commission of Ontario (FSCO). Where it does so, it is not required to exceed the frequency of filing required by law. Hydro One is not obligated to trigger the provision by a FSCO filing only, and, instead, may do so by an internal valuation. Where Hydro One elects to proceed by an internal valuation, it must do so annually and must share any valuation with the Society for comment if it is relying upon the valuation to cause employee contributions to change. If the Society believes the valuation to be in material error and Hydro One disagrees, the Society may cause a review of the valuation by an independent actuary whose opinion on that complaint shall be final and binding. The independent actuary mutually selected by the parties, or if in disagreement, appointed by a rights arbitrator under the collective agreement, may conduct his/her review in any manner he/she considers appropriate of his/her sole discretion. Hydro One shall pay the actuary's fees and disbursements. However, if the independent actuary concludes, in his/her sole discretion, that the Society's objections were unreasonable, the actuary may direct the Society to reimburse Hydro One for all or a portion of the fees and disbursements invoiced by the actuary.

Clarity Note #2:

The change in the CPP integration factor will apply to all of the established service of a Society-represented member who retires after the effective date provided that some portion of such Society-represented established service occurred after the effective date of the change in the CPP integration factor.

22.9 Pension Plan Provisions for Regular Employees hired on or after November 17, 2005

The following provisions apply to regular employees hired on or after November 17, 2005:

Benefit	Provision
Benefit Formula	2% per year to maximum of 35 years
Final Average Earnings	Highest 60 consecutive months
Bridge Benefit	None
Integrated with CPP	Yes (CPP integration adjustment factor = 0.625%)
Indexing	75% of Ontario CPI (maximum of 5%, no carryover)
Employee Contributions	4%/6%
Normal Retirement	Age 65
Early Unreduced Retirement	Rule of 85, based on Established Service.
Early Reduced Retirement	Age 55
Survivor Benefit	66.67%
Membership Eligibility	1 st of month following 3 months of continuous service. No buy back of these three months.
Vesting	1 year
Post Retirement Benefit Eligibility	2 years of pension plan membership and 10 years continuous service with Hydro One

Regular employees hired on or after November 17, 2005 may opt not to enrol in the pension plan. They may elect an additional 3.5% of base earnings in lieu of pension plan participation.

All provisions of the Pension Plan and this Article apply to regular employees hired on or after November 17, 2005 except Section 22.8 ("Plan Formula") and as otherwise specified in this Section.

The Employer will ensure affected employees are notified of their election options, including the default selection and the fact that the default option does not afford the employee the option to buy-back service. The Employer will copy the employee's Society Unit Director on this notice.

PART VIII – SALARY

23 SALARY SCHEDULES

- 23.1 Salary rates shall be in accordance with Salary Schedules 01, 02 and 03 that are part of this Agreement.
- 23.2 The salary schedules shall be increased **effective April 1, 2008 by 3.0%, April 1, 2009 by 3.0%, April 1, 2010 by 3.0%, April 1, 2011 by 2.5% and by 2.5% April 1, 2012.**

24 ESCALATOR CLAUSE

- 24.1 In the event that Hydro One and the Society negotiate a Collective Agreement for a term of more than one year, a Cost of Living Adjustment (COLA) escalator clause shall become part of such an Agreement and shall be applicable to all employees covered by that Agreement.
- 24.2 ***For the term of this Collective Agreement the escalator clause will only be applicable in the third (i.e. April 1, 2010 – March 31, 2011), fourth (i.e. April 1, 2011-March 31, 2012) and fifth (i.e. April 1, 2012-March 31, 2013) years of the contract. A year in which the escalator clause operates shall be termed an “applicable year”. The escalator clause is designed to generate a maximum of one wage increase at the end of each applicable year (i.e. March 31 2011, March 31, 2012 and March 31, 2013, respectively) to a maximum of 2.0% (per applicable year).***

In each applicable year the following formula shall apply:

(a) Activation Point

For the third year:

A 3.0 % increase in the CPI for Ontario (All Items - 1992 = 100) over that published in March 2010 (i.e., the index for February 2010) will activate the Escalator Clause.

For the fourth year:

A 2.5 % increase in the CPI for Ontario (All Items - 1992 = 100) over that published in March 2011 (i.e., the index for February 2011) will activate the Escalator Clause.

For the fifth year:

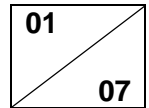
A 2.5 % increase in the CPI for Ontario (All Items - 1992 = 100) over that published in March 2012 (i.e., the index for February 2012) will activate the Escalator Clause.

- (b) *For a full one percent increase in the CPI beyond the activation point in an applicable year, all Wage and Salary Schedules will be adjusted at the end of the applicable year by an amount which increases rates in effect at that time by one percent. Concurrent with this increase, a new activation point***

will be established at a level one percent above the previous activation point.

- (c) ***Any adjustment in the Wage and Salary Schedules necessitated by a change in the CPI, shall be effective at the end of the applicable year. A lump sum payment for months one percent above the activation point will be made retroactive to the first payroll period of the fiscal month following the publication of the CPI which activated the payment. The payment will be made in the form of a lump sum effective on March 31st of the applicable year.***

All Escalator Clause increases will be applied in accordance with the current Methods of calculating.



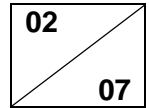
Hydro One

SALARY SCHEDULE 01

35 – HOUR SALARY SCHEDULE

Dollars Per Week

<u>STEP</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
9	1,638	1,747	1,862	1,986	2,117
8	1,589	1,694	1,806	1,926	2,054
7	1,540	1,642	1,750	1,866	1,990
6	1,491	1,589	1,695	1,807	1,927
5	1,441	1,537	1,639	1,747	1,863
4	1,376	1,467	1,564	1,668	1,778
3	1,310	1,397	1,490	1,588	1,694
2	1,229	1,310	1,397	1,490	1,588
1	1,147	1,223	1,303	1,390	1,482



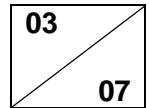
Hydro One

SALARY SCHEDULE 02

37.5 - HOUR SALARY SCHEDULE

Dollars Per Week

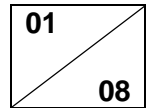
<u>STEP</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
9	1,448	1,544	1,646	1,755	1,872	1,995	2,128	2,268
8	1,404	1,498	1,596	1,702	1,816	1,935	2,064	2,200
7	1,361	1,451	1,547	1,650	1,759	1,875	2,000	2,132
6	1,317	1,405	1,498	1,597	1,703	1,815	1,936	2,064
5	1,274	1,359	1,448	1,544	1,647	1,756	1,873	1,996
4	1,216	1,297	1,382	1,474	1,572	1,676	1,787	1,905
3	1,158	1,235	1,317	1,404	1,497	1,596	1,702	1,815
2	1,086	1,158	1,234	1,316	1,404	1,496	1,596	1,701
1	1,013	1,081	1,152	1,229	1,310	1,397	1,490	1,588



Hydro One

SALARY SCHEDULE 03**40 – HOUR SALARY SCHEDULE****Dollars Per Week**

<u>STEP</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
9	1,441	1,536	1,638	1,747	1,862
8	1,398	1,490	1,589	1,694	1,806
7	1,354	1,444	1,540	1,642	1,750
6	1,311	1,398	1,491	1,589	1,695
5	1,268	1,352	1,441	1,537	1,639
4	1,210	1,290	1,376	1,467	1,564
3	1,153	1,229	1,310	1,397	1,490
2	1,081	1,152	1,229	1,310	1,397
1	1,009	1,075	1,147	1,223	1,303



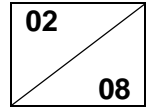
Hydro One

SALARY SCHEDULE 01

35 – HOUR SALARY SCHEDULE

Dollars Per Week

<u>STEP</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
9	1,687	1,799	1,918	2,046	2,181
8	1,637	1,745	1,860	1,984	2,115
7	1,586	1,691	1,803	1,923	2,050
6	1,535	1,637	1,745	1,861	1,984
5	1,485	1,583	1,688	1,800	1,919
4	1,417	1,512	1,611	1,718	1,832
3	1,350	1,440	1,534	1,636	1,744
2	1,265	1,350	1,438	1,534	1,635
1	1,181	1,260	1,343	1,432	1,526



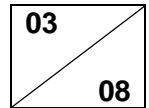
Hydro One

SALARY SCHEDULE 02

37.5 - HOUR SALARY SCHEDULE

Dollars Per Week

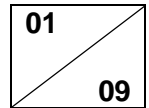
<u>STEP</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
9	1,491	1,590	1,695	1,808	1,928	2,055	2,192	2,336
8	1,446	1,543	1,644	1,753	1,870	1,993	2,126	2,266
7	1,401	1,495	1,593	1,699	1,812	1,932	2,060	2,196
6	1,357	1,447	1,543	1,645	1,754	1,870	1,994	2,126
5	1,312	1,399	1,492	1,591	1,697	1,808	1,929	2,056
4	1,252	1,336	1,424	1,518	1,619	1,726	1,841	1,962
3	1,193	1,272	1,356	1,446	1,542	1,644	1,753	1,869
2	1,118	1,193	1,271	1,356	1,446	1,541	1,644	1,752
1	1,044	1,113	1,187	1,265	1,350	1,438	1,534	1,635



Hydro One

SALARY SCHEDULE 03**40 – HOUR SALARY SCHEDULE****Dollars Per Week**

<u>STEP</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
9	1,484	1,582	1,687	1,799	1,918
8	1,440	1,535	1,637	1,745	1,860
7	1,395	1,487	1,586	1,691	1,803
6	1,351	1,440	1,535	1,637	1,745
5	1,306	1,392	1,485	1,583	1,688
4	1,247	1,329	1,417	1,512	1,611
3	1,187	1,266	1,350	1,440	1,534
2	1,113	1,187	1,265	1,350	1,438
1	1,039	1,107	1,181	1,260	1,343



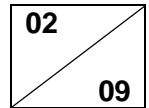
Hydro One

SALARY SCHEDULE 01

35 – HOUR SALARY SCHEDULE

Dollars Per Week

<u>STEP</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
9	1,738	1,853	1,975	2,107	2,246
8	1,686	1,798	1,916	2,044	2,179
7	1,633	1,742	1,857	1,981	2,111
6	1,581	1,687	1,798	1,917	2,044
5	1,529	1,631	1,738	1,854	1,976
4	1,460	1,557	1,659	1,770	1,887
3	1,390	1,483	1,580	1,686	1,797
2	1,303	1,390	1,482	1,580	1,684
1	1,216	1,297	1,383	1,475	1,572



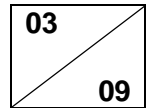
Hydro One

SALARY SCHEDULE 02

37.5 - HOUR SALARY SCHEDULE

Dollars Per Week

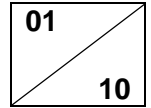
<u>STEP</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
9	1,536	1,638	1,746	1,862	1,986	2,116	2,257	2,406
8	1,490	1,589	1,694	1,806	1,926	2,053	2,190	2,334
7	1,444	1,540	1,641	1,750	1,867	1,990	2,122	2,262
6	1,397	1,491	1,589	1,694	1,807	1,926	2,054	2,190
5	1,351	1,441	1,536	1,638	1,747	1,863	1,987	2,118
4	1,290	1,376	1,467	1,564	1,668	1,778	1,896	2,021
3	1,229	1,310	1,397	1,490	1,589	1,693	1,806	1,925
2	1,152	1,228	1,309	1,396	1,489	1,587	1,693	1,805
1	1,075	1,147	1,222	1,303	1,390	1,482	1,580	1,684



Hydro One

SALARY SCHEDULE 03**40 – HOUR SALARY SCHEDULE****Dollars Per Week**

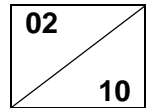
<u>STEP</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
9	1,529	1,630	1,738	1,853	1,975
8	1,483	1,581	1,686	1,798	1,916
7	1,437	1,532	1,633	1,742	1,857
6	1,391	1,483	1,581	1,687	1,798
5	1,345	1,434	1,529	1,631	1,738
4	1,284	1,369	1,460	1,557	1,659
3	1,223	1,304	1,390	1,483	1,580
2	1,147	1,222	1,303	1,390	1,482
1	1,070	1,141	1,216	1,297	1,383



Hydro One

SALARY SCHEDULE 01**35 – HOUR SALARY SCHEDULE****Dollars Per Week**

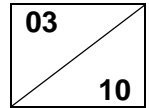
<u>STEP</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
9	1,790	1,909	2,035	2,170	2,313
8	1,736	1,852	1,974	2,105	2,244
7	1,682	1,794	1,913	2,040	2,175
6	1,629	1,737	1,852	1,975	2,105
5	1,575	1,680	1,790	1,910	2,036
4	1,504	1,604	1,709	1,823	1,943
3	1,432	1,527	1,628	1,736	1,851
2	1,342	1,432	1,526	1,628	1,735
1	1,253	1,336	1,424	1,519	1,619



Hydro One

SALARY SCHEDULE 02**37.5 - HOUR SALARY SCHEDULE****Dollars Per Week**

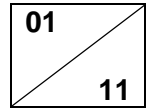
<u>STEP</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
9	1,582	1,687	1,798	1,918	2,045	2,180	2,325	2,479
8	1,534	1,636	1,744	1,860	1,984	2,115	2,255	2,404
7	1,487	1,586	1,690	1,803	1,923	2,049	2,186	2,330
6	1,439	1,535	1,636	1,745	1,861	1,984	2,116	2,255
5	1,392	1,485	1,583	1,688	1,800	1,918	2,046	2,181
4	1,329	1,417	1,511	1,611	1,718	1,831	1,953	2,082
3	1,265	1,350	1,439	1,534	1,636	1,744	1,860	1,983
2	1,186	1,265	1,349	1,438	1,534	1,635	1,744	1,859
1	1,107	1,181	1,259	1,342	1,432	1,526	1,628	1,735



Hydro One

SALARY SCHEDULE 03**40 – HOUR SALARY SCHEDULE****Dollars Per Week**

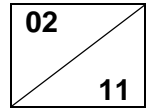
<u>STEP</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
9	1,575	1,678	1,790	1,909	2,035
8	1,527	1,628	1,736	1,852	1,974
7	1,480	1,578	1,682	1,794	1,913
6	1,433	1,527	1,629	1,737	1,852
5	1,386	1,477	1,575	1,680	1,790
4	1,323	1,410	1,504	1,604	1,709
3	1,260	1,343	1,432	1,527	1,628
2	1,181	1,259	1,342	1,432	1,526
1	1,102	1,175	1,253	1,336	1,424



Hydro One

SALARY SCHEDULE 01**35 – HOUR SALARY SCHEDULE****Dollars Per Week**

<u>STEP</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
9	1,835	1,957	2,086	2,224	2,371
8	1,780	1,898	2,023	2,158	2,300
7	1,725	1,839	1,960	2,091	2,229
6	1,670	1,781	1,898	2,024	2,158
5	1,614	1,722	1,835	1,957	2,087
4	1,541	1,644	1,752	1,869	1,992
3	1,468	1,565	1,668	1,780	1,897
2	1,376	1,468	1,564	1,668	1,778
1	1,284	1,370	1,460	1,557	1,660



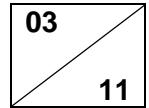
Hydro One

SALARY SCHEDULE 02

37.5 - HOUR SALARY SCHEDULE

Dollars Per Week

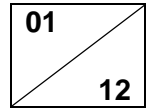
<u>STEP</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
9	1,621	1,729	1,843	1,966	2,096	2,234	2,383	2,540
8	1,573	1,677	1,788	1,907	2,034	2,167	2,312	2,464
7	1,524	1,626	1,733	1,848	1,971	2,100	2,240	2,388
6	1,475	1,574	1,677	1,789	1,908	2,033	2,169	2,312
5	1,427	1,522	1,622	1,730	1,845	1,966	2,097	2,236
4	1,362	1,453	1,548	1,651	1,761	1,877	2,002	2,134
3	1,297	1,383	1,475	1,573	1,677	1,788	1,907	2,032
2	1,216	1,297	1,382	1,474	1,572	1,676	1,787	1,905
1	1,135	1,210	1,290	1,376	1,468	1,564	1,668	1,778



Hydro One

SALARY SCHEDULE 03**40 – HOUR SALARY SCHEDULE****Dollars Per Week**

<u>STEP</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
9	1,614	1,720	1,835	1,957	2,086
8	1,566	1,669	1,780	1,898	2,023
7	1,517	1,617	1,725	1,839	1,960
6	1,469	1,566	1,670	1,781	1,898
5	1,420	1,514	1,614	1,722	1,835
4	1,356	1,445	1,541	1,644	1,752
3	1,291	1,376	1,468	1,565	1,668
2	1,210	1,290	1,376	1,468	1,564
1	1,130	1,204	1,284	1,370	1,460



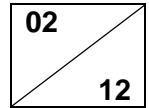
Hydro One

SALARY SCHEDULE 01

35 – HOUR SALARY SCHEDULE

Dollars Per Week

<u>STEP</u>	<u>MP2</u>	<u>MP3</u>	<u>MP4</u>	<u>MP5</u>	<u>MP6</u>
9	1,880	2,006	2,138	2,280	2,430
8	1,824	1,945	2,074	2,212	2,358
7	1,768	1,885	2,009	2,143	2,285
6	1,711	1,825	1,945	2,075	2,212
5	1,655	1,765	1,881	2,006	2,139
4	1,580	1,685	1,796	1,915	2,042
3	1,504	1,605	1,710	1,824	1,944
2	1,410	1,504	1,603	1,710	1,823
1	1,316	1,404	1,496	1,596	1,701



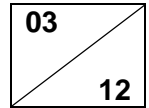
Hydro One

SALARY SCHEDULE 02

37.5 - HOUR SALARY SCHEDULE

Dollars Per Week

<u>STEP</u>	<u>FMP09</u>	<u>FMP10</u>	<u>FMP11</u>	<u>FMP12</u>	<u>FMP13</u>	<u>FMP14</u>	<u>FMP15</u>	<u>FMP16</u>
9	1,662	1,773	1,889	2,015	2,149	2,290	2,443	2,604
8	1,612	1,719	1,833	1,954	2,084	2,222	2,370	2,526
7	1,562	1,666	1,776	1,894	2,020	2,153	2,296	2,448
6	1,512	1,613	1,719	1,833	1,956	2,084	2,223	2,370
5	1,462	1,560	1,663	1,773	1,891	2,016	2,150	2,292
4	1,396	1,489	1,587	1,692	1,805	1,924	2,052	2,187
3	1,329	1,418	1,511	1,612	1,719	1,832	1,954	2,083
2	1,246	1,329	1,417	1,511	1,612	1,718	1,832	1,953
1	1,163	1,241	1,323	1,410	1,504	1,603	1,710	1,823



Hydro One

SALARY SCHEDULE 03

40 – HOUR SALARY SCHEDULE

Dollars Per Week

<u>STEP</u>	<u>TMS01</u>	<u>TMS02</u>	<u>TMS03</u>	<u>TMS04</u>	<u>TMS05</u>
9	1,654	1,763	1,880	2,006	2,138
8	1,605	1,710	1,824	1,945	2,074
7	1,555	1,658	1,768	1,885	2,009
6	1,505	1,605	1,711	1,825	1,945
5	1,456	1,552	1,655	1,765	1,881
4	1,390	1,481	1,580	1,685	1,796
3	1,323	1,411	1,504	1,605	1,710
2	1,241	1,323	1,410	1,504	1,603
1	1,158	1,234	1,316	1,404	1,496

25 PAY TREATMENT OF PROFESSIONAL TRAINEES

25.1 Pay Treatment

Professional Trainees (“trainees”) will be paid at Step 1 or 2 of the MP2 salary schedule. Trainees will be defined as follows:

- a) all **“new graduates”** *i.e.* employees hired for Management and Professional (M&P) or Field Management and Professional (FM&P) work, when they have less than the following applicable experience requirements after Bachelor graduation:

Job Level	Applicable Experience Requirements
MP2	2 years
MP3 and over	2.5 years

or;

- b) employees who are appointed to entry M&P or FM&P positions from non-M&P/FM&P salary schedules where such employees are not fully qualified or do not meet the minimum experience requirements for the position.
- 25.2 Individuals with advanced degrees or some applicable experience may be given an appropriate time credit when they are placed **on Salary Schedule 01**.
- 25.3 ***Progression of trainees from step-to-step on Salary Schedule 01 will be dependent on satisfactory performance.***
- 25.4 ***A trainee’s progression may be withheld due to unsatisfactory performance. In such cases the employee’s performance will be reviewed at the next progression date and, if performance has been satisfactory, the employee will progress to the next level. If progression must be withheld due to unsatisfactory performance for two consecutive progression periods, there may be cause for termination. If the employee’s performance is satisfactory for one year following the withholding of a progression step the employee will be awarded a two-step increase, thus restoring his/her original progression pattern.***
- An absence greater than one month due to illness, pregnancy, parental leave, etc. may result in an extension of a step in the progression process. The original progression dates may be reinstated if satisfactory progress can be shown to have been made during an extension period.***
- 25.5 Management will appoint ***trainees who have not yet been appointed to an ongoing M&P/FM&P position*** to an ongoing MP2 position upon successful completion of Step 2, except during the operation of Article 64 or when there are surplus employees.
- 25.6 Vacation provisions that apply to M&P staff on ***Schedule 01*** will also apply to ***trainees***.
- 25.7 Articles contained in Part X (Relocation Assistance) will apply to ***trainees*** when they are appointed to an ongoing M&P or FM&P job.
- 25.8 Eligibility for other benefits and allowances which apply to regular staff will be granted to ***trainees*** when they are granted regular employee status.

- 25.9 Shift compensation reference point rate for **trainees** will be **step 3** of MP2.
- 25.10 Student employees will be paid **at Steps 1 or 2 of the MP2 salary range**.
- 25.11 **Management may utilize Steps 1 and 2 for all employees covered by the collective agreement and not just for Professional Trainees.**

26 PAYMENT OF FM&P EMPLOYEES

Employees in jobs rated under the Field Management and Professional Job Evaluation Plan will be paid in accordance with Schedule 02. The upper five grades of Schedule 02 will be equivalent to Schedule 01 (e.g. FMP16 = MP6) except prorated to reflect a base work week of 37.5 hours instead of 35 hours.

27 PAYMENT OF MANAGEMENT AND PROFESSIONAL (M&P) EMPLOYEES

Employees in jobs rated under the Plan A Job Evaluation Manual will be paid in accordance with Schedule 01.

28 PAYMENT OF TRADES MANAGEMENT SUPERVISORS (TMS)

Employees in jobs rated under the Trades Management Supervisors' Job Evaluation Manual will be paid in accordance with Schedule 03. Step 9 of TMS3 shall be equivalent to the Step 9 of MP2 (Schedule 1).

29 JOB EVALUATION PLANS

Job evaluation plans that are used to rate Society-represented jobs form part of this Collective Agreement. These plans are:

- Plan A (revised January, 1988), used to classify all M&P jobs;
- Plan A Job Evaluation Manual - delete the phrase "Once exclusion from CUPE Local 1000 has been confirmed" on page 3.
- Field Management and Professional Job Evaluation Plan (revised July, 1988), used to classify all FM&P jobs;
- Trades Management Supervisors Job Evaluation Manual (April, 1986), used to classify all TMS jobs;
- TMS Job Evaluation Manual - delete criteria "(a) qualify for exclusion from union jurisdiction" on page 2.
- Hay Plan (July, 1990), used to classify all Nursing jobs.

30 TMS AGREEMENTS

Trades Management Supervisors/Trades Supervisors (TMS) shall receive payments calculated as follows:

- 30.1 Union Relief Rate (currently 17% or 22%, whichever is applicable in each situation) minus the actual pay differential between the TMS **step 9** rate and the base rate of the highest trade group supervised, as per occupational definition, plus 3%.

$$JP \left(\text{URR} - \frac{\text{TMS} - \text{JP}}{\text{JP}} \times 100 + 3\% \right)$$

URR = Union Relief Rate (17% or 22% depending on situation)
 JP = Highest Journeyman Rate Supervised
 TMS = **Step 9** rate of Relevant TMS Position

An example of the payment would be: if the differential between the Union journeyman and the TMS = 15%, then the payment would be 17% (appropriate relief rate) minus 15% plus 3% = 5%.

- 30.2 In addition, where a TMS is supervised by a TMS, the existing salary grade differential will be maintained (6.625% or 13.25%, whichever is applicable in each situation).
- 30.3 a) These payments will be based on PWU CUPE Local 1000 rates effective April 1 of each year and calculated on an annual basis. In addition, the payments will be prorated in situations where a person is promoted to a TMS position during the year.
- b) During the term of the Collective Agreement (**July 1, 2007 to March 31st, 2013**) TMS's whose "base" salary (including any applicable relativity allowance) is less than the equivalent to the applicable URR will receive a "top up" allowance to bring their "base" salary (including any applicable relativity allowance) up to this equivalent level, as a minimum. This "top up" allowance will be treated in accordance with Section 30.4 and will not affect the employee's performance standing. Calculations for these payments will be done annually in April 2003 and April 2004. The "top up" allowance calculated in April may be revised **by subsequent step increases**.
- 30.4 Effective **July 1, 2007** until March 31, **2013**, these payments will be paid on a weekly basis and treated like base salary with respect to overtime, pension and other wage-sensitive entitlements including any promotion increase. An employee's performance pay standing will not be affected by this payment.
- 30.4.1 When a TMS position is temporarily given a higher TMS classification or a TMS relieves for a higher-rated TMS for a minimum of five consecutive days or ten cumulative days annually, and in these situations there is a relief rate rub per Sections 30.1 or 30.2, payments will be recalculated to reflect the rub point in the reclassified/relief position and paid on a pro-rated basis for these periods. Under no circumstances will the TMS's pay (base plus any applicable relativity allowance) decrease.

For the sake of clarity by the addition of the TMS Relativity payment formula to Attachment A, Article 7, it is intended that the amount of money available for any change to this formula will be the same as that provided to the applicable Business Unit under Article 30.1 and 30.2. Flexibility is given to negotiate a redistribution of this money to TMS's within the Business Unit. There is no flexibility to modify the amount of money in the "envelope" or to change other provisions in Article 30 e.g., payments must be treated like base pay. Any Business Unit agreement would be in accordance with Article 7 and also subject

to ratification by TMS's in the affected Business Unit. The default would be the formula in Article 30.

31 SALARY PROGRESSION PLAN

- 31.1 ***Effective October 1, 2007 the Performance Pay Plan (1978, revised 1987) is eliminated and replaced by a new salary progression plan as described in Section 31.2. For clarity, at the end of 2007 Hydro One will not make the minimum performance payout of 1.0% of base payroll for the performance year 2007.***
- 31.2 ***A new salary progression plan will be implemented on October 1, 2007 that includes the following features:***
- a. ***Three salary schedules will be created, recognizing 35-hour, 37.5-hour and 40-hour work weeks. The 35-hour schedule will replace Schedule 01, the 40-hour schedule will replace schedule 08 and the 37.5-hour schedule will replace schedule 02. Current prorating pay treatment for base hours as per Article 68 remains unchanged with the exception of those covered under LOU #5.***
 - b. ***The current job evaluation plans will continue to apply.***
 - c. ***Progression will be on an annual basis.***
 - d. ***The MP1 salary band will be eliminated and MP2 through MP6 salary bands will remain.***
 - e. ***Salary ranges for all salary bands shall be equivalent to current 70% - 100%.***
 - f. ***Progression from 70% to 100% shall be as follows:***
 - i. ***70% to 80% in 5% steps***
 - ii. ***80% - 88% in 4% steps***
 - iii. ***88% to 100% in 3% steps***
 - g. ***Schedule 04 is eliminated as it is incorporated into the initial steps of MP2. All new grads will be hired at either 70% or 75% of MP2. Article 25 will be amended and/or obsoleted as required.***
 - h. ***Employees will automatically progress to the next step on their anniversary date of appointment to their position unless withheld by management (as per Article 19.4).***
- 31.3 ***The transition to the new salary progression plan will be as follows:***
- a. ***Effective October 1, 2007, all current employees will be mapped to the step nearest in the applicable salary band that is not less than their current pay.***
 - b. ***All employees paid above the rate for the highest step in their salary***

band will be “green circled” i.e. will continue to be eligible to receive economic increases.

c. October 1 will become the “anniversary date” for employees except as follows:

i. For employees who are appointed to a different position or persons hired into Society-represented positions subsequent to the implementation date, their anniversary date will become the date of appointment to this new position.

32 PROMOTION-IN-PLACE PLANS

32.1 Definition

A “promotion-in-place plan” (PIP) means a developmental plan involving a hierarchy of related jobs, in which employees who meet defined criteria will be promoted without advertising, and where it is the normal expectation that employees will reach the end position.

32.2 Principles

32.2.1 The Society should be involved in the development and periodic review of PIPs.

32.2.2 Either the Society or Management may initiate discussions on PIP proposals.

32.3 Conditions

32.3.1 All new and revised PIPs must have the joint agreement of the parties. During the term of the Collective Agreement, a catalogue of existing PIPs will be developed and the parties will determine the schedule for their review upon request by either party.

32.3.2 Salary treatment upon promotion within PIP will be in accordance with Section 66.2.

32.3.3 Employment continuity treatment of employees with respect to PIPs will be in accordance with Clause 64.10.2.1.

32.3.4 Vacancies for PIP jobs will be advertised in accordance with Clause 65.6.1 (e).

32.3.5 All jobs in a PIP must be evaluated under the applicable job evaluation plan.

32.4 Standard Features

All PIPs must have the following features:

- based on a developmental plan to an end position;
- based on the expectation that normally employees in PIP jobs will reach the end position;
- a sunset clause;

- joint Society-Management agreement on promotion criteria consistent with the PIP;
- promotion within PIP based upon the employee meeting defined criteria (e.g., performance measures, experience, breadth of assignments). If an employee has met all of the criteria for a promotion, and the only item preventing the promotion is the individual's performance standing, then the promotion should be implemented;
- targeted to have sufficient staff in the higher level positions for unit viability;
- specification of the normal expected time period an employee should take to progress through the various stages of the PIP;
- provision for employees to have a reasonable opportunity to fulfill requirements to qualify for progression within the normal expected time frame.

33 TEMPORARY EMPLOYEES

Intent: Temporary employees are employees hired for short-term work assignments which are not ongoing and/or where there are no available qualified regular employees to perform the work. The impact on employment continuity should be an important consideration in the decision to hire temporary employees.

33.1 Society Notification

Hydro One will discuss the circumstances with the local Society representative prior to hiring a temporary employee. The Society will be informed of the job skill needs, the salary classification for the position, the expected job duties, and the duration of the assignment.

Assignment extension beyond 12 months is conditional on the employer's compliance with its prior consultation as described above. If the employer has not complied with this obligation, the employee will be terminated at 12 months. At 24 months, Hydro One will either terminate the employee, advertise the position if there is an ongoing staff requirement, or obtain the agreement of the Society for a further extension. If the position is advertised, and the temporary employee is not selected for the vacancy, the employee will be terminated.

Temporary employees will have their applications for vacancies considered in accordance with Clause 65.6.3.g.

Notwithstanding the above, Hydro One may utilize a temporary employee for up to 36 months with the approval of the appropriate Society Unit Director.

33.2 Temporary Employees with Less than 12 Months' Service

33.2.1 Compensation and Benefits Treatment

- i) Vacations: payment of the prorated amount of 15 days adjusted earnings or 4%, whichever is greater.
- ii) Statutory Holidays:

- a) Provincially regulated employees: pay for statutory holidays provided the employee has more than three months' accumulated service.
- b) Federally regulated employees: pay for statutory holidays provided the employee has more than 30 calendar days' service.
- iii) Floating Hdidays: three floating holidays after 20 weeks' continuous service.
- iv) Sick Leave: credits for one-half day at 100% pay for each month of accumulated service.
- v) Semi-Private and EHB Plan: optional at employee's cost.
- vi) Remembrance Day; Personal Time Off; Parental Leave (excluding the SUB Plan); Jury Duty; Special Time Off at Christmas: same as regular employees.
- vii) Kilometre Rates: same as regular employees.
- viii) Personal Travel and Accident Benefits: same as regular employees.

33.2.2 Termination

When a temporary employee with less than 12 months' service is terminated for other than cause, he/she will receive at least two weeks' notice in writing.

33.3 Temporary Employees with More than 12 Months' Service

Temporary employees with more than 12 months' service are entitled to sick leave credits equal to eight days at 100% and 15 days at 75% per annum, performance appraisals and consideration for **step progression** and severance pay equal to two weeks' base salary per continuous year of service. All items in Section 33.2 above, except for 33.2.1 (iv), will also apply to these employees.

33.4 Temporary Employees Working Reduced Hours

Temporary employees who work reduced hours will have the items listed in Sections 33.2.1 and 33.2.2 pro rated in accordance with the provisions outlined in Article 71 (Reduced Hours of Work).

33.5 Temporary Employees and Purchased Services

- 33.5.1 Management shall give serious consideration and where possible (e.g., cost effective and timely) give preference to the option of using temporary employees rather than using purchased services.
- 33.5.2 Where management deems it appropriate, **Hydro One may** pay temporary employees at rates higher than Society-represented salary schedules.

PART IX - ABSENCE FROM WORK

34 PAID/UNPAID TIME OFF

Intent: It is recognized that from time to time, an employee will be faced with situations that may require him/her to be absent from his/her work. Such time will be either with or without pay, or a combination of both, and will be granted where there is an entitlement under this Agreement, a clear legal or statutory requirement, or where, in the supervisor's judgment, such time off is warranted by specific circumstances. It is further recognized that it is the employee's responsibility to balance his/her need for a leave of absence with the work requirements of his/her unit.

Where the granting of the absence is discretionary, considerations would include: factors beyond an employee's control that prevent him/her from attending work; severity or nature of circumstance; workload of the unit.

The exact amount of time off is at the discretion of Management; however, the entitlements of employees in specific circumstances include those described below.

34.1 Jury Duty/Required Attendance at Court

For the duration of the Jury Duty, or required attendance at an Inquest or court (subpoenaed witness), the employee's normal base earnings and benefits will be maintained. The employee is responsible for informing his/her supervisor as to the probable duration of the jury duty.

34.2 Funeral Leave

a) Provincially Regulated Employees

In the event of the death of a family member, including parent, parent-in-law, brother, brother-in-law, sister, sister-in-law, husband, wife, son, son-in-law, daughter, daughter-in-law, grandparents, grandparents-in-law, and grandchildren, an employee may be granted leave of absence with pay. The supervisor will take into consideration the relationship of the deceased, the distance that the employee has to travel, and the need for the employee to attend to arrangements when deciding how much time is to be granted. Usually a period of up to three days is an adequate amount of time. In the event of the death of a fellow employee, time off with pay may be granted to attend the funeral.

b) Federally Regulated Employees

i) An employee will be granted leave of absence on any of his/her normal working days during the three days immediately following the death of a member of his/her "immediate" family. Base earnings will be maintained for employees who have completed at least 3 consecutive months of continuous service.

"Immediate" family shall be as defined in the Canada Labour Code: spouse, including common-law; father and mother of employee; spouse of father and mother, including common-law; children; brothers and sisters; father-in-law; mother-in-law; spouse of father-in-law and of mother-in-law, including

common law and relative of employee who resides permanently in the employee's household or with whom the employee resides.

- ii) An employee may be granted leave of absence with pay of up to 3 days in the event of the death of the following family members: brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparents, grandparents-in-law, and grandchildren.
- iii) In the event of the death of a fellow employee, time off with pay may be granted to attend the funeral.

34.3 Medical and Dental Appointments

An employee may attend a medical consultation, receive dental treatment or be absent because of sickness for less than one-half day without reduction of sick leave credits and/or pay.

34.4 Family Care

An employee is entitled to take time off for family care. Normally, up to five (5) days a year may be taken for this purpose. By mutual agreement with his/her supervisor, the employee may pay for this time by using his/her banked overtime, by working back the time over a reasonable period of time, or by taking the time off without pay.

34.5 Reserve Forces

Regular employees who are members of Reserve Forces of the Canadian Armed Forces may be granted leave of absence to attend annual training (normally two weeks in duration). If such leave is granted, Hydro One will maintain the employee's health and dental benefits and will pay the employee the difference between the gross amount of pay received from the Armed Forces and his/her normal base earnings for this period.

34.6 World Class Sport Events

Employees may be granted leave to participate in world class sports events as athletes or coaches or as officials and administrators. If such leave is granted, for each day of vacation that the employee uses for participation in such an event, Hydro One will provide two days leave of absence with pay up to a maximum of two weeks.

35 SHORT-TERM ABSENCES

Payment for short-term absences (e.g., vacation, sick leave) will be based on the normal rate paid for scheduled job hours, except as stated elsewhere in this Agreement.

36 EDUCATION LEAVE

36.1 Definitions

"Educational Leave" shall mean an approved absence from work during which an employee engages in planned learning activities that provide him/her with skills that are expected to result in benefits to Hydro One.

“Reimbursable Costs” shall mean expenses incurred by the employee in the course of engaging in the planned learning activity and include registration, tuition and examination fees as well as textbooks/discs and applicable taxes. They may also include reasonable, incremental meal, accommodation and travel expenses.

“Financial assistance” shall mean an employee’s base salary, health and dental benefits and reimbursable costs.

36.2 Approvals

Hydro One will grant an employee’s application for an educational leave where Hydro One determines that the leave will benefit the business and the employee’s absence may be accommodated without adversely impacting the viability of his/her work unit.

36.3 Terms and Conditions During Leave

36.3.1 The duration of educational leaves will normally be for a period of up to one academic year.

36.3.2 If management determines that the needs of the business would best be served by an employee taking an educational leave, then Hydro One will maintain the employee’s full salary, health and dental benefits and reimburse his/her costs.

36.3.3 For other educational leaves, management will reasonably determine the level of financial assistance that the company will provide to the employee during the leave based on the expected resulting benefit to the business.

36.3.4 Where management continues to pay all or a portion of an employee’s base salary during an educational leave, it shall also maintain health and dental benefit coverage for the employee for this period.

36.3.5 Where Hydro One requires an employee to take an educational leave, the company will pay the employee’s full salary, health and dental benefits and reimbursable costs, including all reasonable incremental expenses (e.g., travel, accommodation, meals).

36.3.6 Where Hydro One requires an employee on leave to return to work prior to the expiry of the approved leave, the company will assume all expenses incurred as a result of this action.

36.3.7 As a condition of granting a leave application by an employee, Hydro One may require a participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed four times the duration of the leave times the percentage of base salary paid by Hydro One during the leave. Where Hydro One requires an employee to take an educational leave, there will be no period of stipulated continued employment.

36.4 Treatment of Employee on Return from Leave

36.4.1 Upon completion of the leave, where the employee’s pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.

- 36.4.2 Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.
- 36.4.3 In the event Article 64 is triggered during or upon completion of the leave, the employee will be redeployed in accordance with that Article.
- 36.4.4 Upon completion of an educational leave without pay, an employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service.

37 SELF FUNDED SABBATICALS

37.1 Definition

"Self-funded sabbaticals" means an approved arrangement where an employee works regularly scheduled hours while receiving eighty percent (80%) of his/her base salary for each of four years. In the fifth year, the employee is granted a leave of absence for one year, funded by the accumulated deferred pay.

37.2 Approvals

Hydro One will approve an employee's application for a self-funded sabbatical where it determines that this arrangement will benefit the business and can be accommodated without adversely impacting the viability of his/her work unit.

37.3 Terms and Conditions of Self-funded Sabbaticals

- 37.3.1 The salary holdback (i.e., twenty percent for four years) will be kept in a special account and interest will be paid annually at an appropriate rate fixed by Hydro One.
- 37.3.2 During the leave of absence (i.e., the fifth year):
- The employee may not be declared surplus.
 - The employee is responsible for his/her health and dental benefits and shall be given option of continuing coverage under the Hydro One plan through pre-payment.
 - The employee's entitlement to group life, living benefit and spousal life insurance benefits shall continue pursuant to Article 21.
 - Hydro One shall pay the sum accumulated in the trust to the participating employee in a lump sum or in regular instalments.
- 37.3.3 As a condition of approving a self-funded sabbatical arrangement, Hydro One may require the participating employee to sign a written commitment to return to Hydro One following the expiry of the leave for a period not to exceed the length of the leave (i.e., maximum one year).

37.4 Treatment of Employee Upon Return from Leave

- 37.4.1 Upon completion of the leave the employee shall have the right to contribute to the pension plan the amount that would have been contributed if he/she had remained on payroll at full (i.e., 100%) base earnings during the leave and if such contribution is made the period of time on leave shall be included in calculating his/her continuous employment or established service, as the case may be.
- 37.4.2 Upon completion of the leave, where the employee's pre-leave position continues to exist and has not been filled or has been filled temporarily, the employee shall return to that position.
- 37.4.3 Upon completion of the leave, if the employee's pre-leave position no longer exists or has been filled by an ongoing appointment, the employee will be placed in a position at the same salary grade and same location as the pre-leave position.
- 37.4.4 In the event Article 64 is triggered during or upon completion of the leave, subject to the other provisions in this Article, the participating employee will be redeployed in accordance with that Article.

38 EMPLOYEES HIRED AS SOCIETY STAFF

At the request of the Society, a leave of absence may be granted to an employee who is offered a Society staff position. During this period the Society will assume:

- Cost of salary;
- Hydro One's cost of contributions to the Pension Plan, the Group Life Insurance Plan and the LTD Plan.
- The responsibility and cost of providing Health, Dental and Sick Leave Insurance/coverage;
- The responsibility for any other employee contributions related to employee wages and benefits provided by the Society.
- At the end of the leave of absence, Hydro One is obligated to relocate the employee within Hydro One at a salary classification as close as possible to the position held at the time the leave of absence was granted. An employee on leave will be neither advantaged nor disadvantaged in a surplus situation.

39 RELEASE OF SOCIETY REPRESENTATIVES

39.1 Intent

Hydro One will grant elected Society representatives reasonable paid time off from normal duties for purposes of involvement in joint processes and business related to Society/Management relations under this Agreement.

Hydro One recognizes and appreciates the dual responsibility employees elected to hold Society office have to their job and to Society members. Society representatives and their supervisors (those excluded from the Society) are encouraged to pursue a mutually

acceptable and cooperative approach to managing the requirement for absences as a result of this dual role. Management recognizes that the need for time off from normal duties will vary with the position that the employee holds within the Society. The higher up in the Society the more will be the demands for time off.

39.2 Specific Circumstances

- 39.2.1 Absence from work due to the Society representative's involvement in joint processes, tripartite processes or with respect to other business related to Society/Management relations under this Agreement, should not negatively impact on his/her performance appraisal.
- 39.2.2 In the expectation that the joint problem solving approach based on the principles outlined in **the former** Article 1.2 will be mutually beneficial to the relationship between Hydro One and the Society, Management agrees to continue its practice of maintaining base salaries for Society representatives involved in all joint processes up to but not including arbitration unless required by Management to attend.
- 39.2.3 Society Delegates and members of the Board of Directors will be permitted two (2) days per year at their normal base rates to attend Delegates' Council meetings. Members of the Board of Directors will be permitted up to 12 additional days per calendar year at their normal base rates, to attend Society Board meetings.
- 39.2.4 Hydro One will release elected Society representatives from their normal duties without pay for other Society business. The Society will give Management reasonable notice of such releases, and Management will normally release such representatives. From time to time there may be unexpected events that prevent such a release, but such situations will be the exception.
- 39.2.5 Hydro One shall contribute towards the salaries of the Society Executive who are employees of Hydro One. The Society Executive for this purpose shall include the President, EVP/VP. Members of the Society Executive shall remain on the payroll of Hydro One, and Hydro One shall bill the Society for the cost of salary and benefits of such persons except for an amount equal to the salary of 0.5 FTE (@ **Step 9** MP6). It is understood that the salary paid to the members of the Society Executive, who are employees of Hydro One, shall be the salary specified in writing by the Society.

39.3 Treatment During Release and on Return to Work

When an employee is released from his/her regular position to serve as a Society representative he/she will retain his/her pre-release position subject to the applicable provisions of the Collective Agreement. On return to work, the employee is entitled to such reasonable training or re-skilling required to return to normal duties as is feasible.

40 VACATIONS

40.1 Vacation Entitlement

The combination of Vacation Commencement (VCD) plus External Experience Value (EEV) determines service for vacation entitlement for the purpose of this Article.

40.2 Less Than One Year of Service by June 30

One and one-half (1-1/2) days vacation for each full month of service completed between June 30 of the previous year and July 1 of the current year to a maximum of three (3) weeks (15 working days).

40.3 One to Seven Years of Service

Fifteen (15) working days (three weeks) annually when an employee has completed from one (1) to seven (7) years of service by the end of the calendar year.

40.4 From Eight to Fifteen Years of Service

Twenty (20) working days (four weeks) annually when an employee has completed from eight (8) to fifteen (15) years of service by the end of the calendar year.

40.5 For Sixteen to Twenty-Four Years of Service

Twenty-five (25) working days (five weeks) annually when an employee has completed sixteen (16) years to twenty-four (24) years of service by the end of the calendar year.

40.6 For Twenty-Five or More Years of Service

Thirty (30) working days (six weeks) annually in the calendar year in which an employee completes twenty-five (25) years of service and in each succeeding year.

40.7 External Experience Credit

(Applicable to 4, 5, and 6 Weeks Vacation Entitlement)

40.7.1 Appointments to Positions Paid from Salary Schedules 01, 02, 03,

Employees who were or are hired directly into, or within one year of their ECD were or are appointed to a Society-represented position and paid from Salary Schedules 01, 02, 03, 05, 06, 07, 08, 09, 13, will receive the following vacation credits for external experience, applicable to four, five, and six weeks vacation entitlement. Credits are based upon the highest salary grade attained within one year of hiring and are translated into an External Experience Value (EEV).

The effective date of External Experience Credit entitlements will be as follows:

Salary Schedules 01, 02	April 1, 1956
Salary Schedules 03,	January 1, 1992

Salary Grade Hired Into	Vacation Credit
MP1/FMP11/TMS1-2/TS1-6/ OSS1-8/SCT3 ³	1 year
MP2/MF22/FMP12/TMS3/ TS7-8/OSS9/SCO1 ⁴	2 years
MP3/MF23/FMP13/TMS4/SEI1/ TS9-10/OSS10/SCO2	3 years

³ Relevant work experience of one year or more is required to receive this credit.

⁴ Relevant work experience of two years or more is required to receive this credit.

MP4/FMP14/TMS5/SEI2/OSS11/ SCO3	4 years
MP5/FMP15/OSS12/SCO4	5 years
MP6/FMP16/HO1	6 years

40.7.2 Appointments to Positions **Covered by Article 25**

An employee hired on or after December 31, 1981 **to a position covered by Article 25** will receive one year's vacation credit³.

40.8 Vacation Credit for Prior Service

Employees will be entitled to vacation credits for all prior service with Hydro One, including casual employment, regardless of breaks in service (see Section 9.3 Transition Provisions).

40.9 Vacation Without Pay

Up to one week off without pay may be taken by employees for vacation purposes.

40.10 Use of Vacation Credits of Succeeding Year at Christmas

For purposes of taking time off at Christmas (December 15 to December 31) employees will be permitted to utilize earned vacation credits for the succeeding year.

40.11 Banked Vacation

Effective January 1, 1993, upon eligibility for 25 working days (five weeks) of annual vacation, employees may defer and accumulate any vacation entitlement beyond 15 days per year. A maximum of 30 weeks' vacation may be banked. Banked vacation may be taken at a later date, subject to the supervisor's approval, or may be taken as a cash payment upon retirement.

40.12 Vacation Bonus

Employees shall receive one day's base pay (or adjusted earnings) for each year of service beyond twenty-five (25) years, to a maximum of ten (10) days' pay.

40.13 Vacation Entitlement on Retirement/Termination

40.13.1 Retirement

A retiring employee may take part/all of earned vacation for the year in which he/she retires, plus authorized carryover from previous years and banked vacation, or receive cash payment in lieu, plus any vacation bonus.

40.14 Vacation Pay on Retirement/Termination is as follows:

- a) If an employee terminates between July 1, and December 31, he/she receives the following:
 - i) pay for any unused vacation days earned up to June 30, and not taken during the current calendar year; plus

- ii) 4% of accumulated earnings from July 1, to the date of termination, or the appropriate percentage (determined by vacation entitlement) of base earnings from July 1, to the date of termination; whichever is greater.
- b) If an employee terminates between January 1, and June 30, he/she receives the following:
- i) 4% accumulated earnings from July 1, to date of termination, *or* the appropriate percentage (determined by vacation entitlement) of base earnings from July 1, to the date of termination; whichever is greater; *minus*
 - ii) vacation taken in the current calendar year.

"Base earnings" in this Section refers to base pensionable earnings for normal scheduled hours of work.

"Accumulated earnings" in this Section refers to base earnings, plus overtime pay, shift allowances, etc.

The appropriate percentages determined by vacation entitlement are as follows:

- 4% of accumulated wages if entitlement is 10 working days or less annually;
- 6% of base earnings or adjusted earnings to date if entitlement is 15 working days annually;
- 8% of base earnings or adjusted earnings to date if entitlement is 20 working days annually;
- 10% of base earnings or adjusted earnings to date if entitlement is 25 working days annually plus any vacation bonus;
- 12% of base earnings or adjusted earnings to date if entitlement is 30 working days annually plus any vacation bonus.

If the reason for termination is the death of an employee, the payment will be made to the estate or beneficiary.

For calculation purposes, the termination date is the employee's last day of work. The employee is removed from payroll on this date.

In cases where the termination is due to causes other than death, the termination date must not be extended to permit use of outstanding vacation credits or lieu days which are paid for in cash on termination.

40.15 Deferment or Interruption of Vacations

- 40.15.1 Reimbursement will be made for out-of-pocket expenses incurred by an employee who, at the request of Hydro One, either defers an approved vacation or returns before the vacation has expired.
- 40.15.2 When an employee is called back from vacation or when an employee's vacation is cancelled at the request of Hydro One, the employee shall receive

premium rates of pay for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days.

40.15.3 Deferred or interrupted vacation days will be rescheduled at a later date.

41 STATUTORY HOLIDAYS AND FLOATING HOLIDAYS

For federally regulated employees, the parties agree that Article 41 meets the requirements of Part III, Division V, General Holidays of the Canada Labour Code and that the Civic Holiday is substituted for November 11 (Remembrance Day).

41.1 The following days are recognized by Hydro One as Statutory Holidays:

New Year's Day	Christmas Day	Good Friday
Boxing Day	Victoria Day	Labour Day
Canada Day	Thanksgiving Day	Civic Holiday
Easter Monday		

If a Statutory Holiday falls on a day when an employee is off on sick leave, pay is not charged against sick leave credits for that day. A Statutory Holiday falling within an employee's vacation period is not counted as part of the vacation, but is taken as an extra day of holiday.

Payment for statutory holidays will be on the basis of straight time for the normal hours of work per day.

41.1.1 When Canada Day falls on a Saturday or Sunday, it shall be observed on the following Monday.

41.1.2 When Christmas falls on a Friday and Boxing Day on Saturday, a half holiday will be granted on the preceding Thursday. The days of observance will not be moved.

When Christmas falls on a Saturday and Boxing Day on a Sunday, a half holiday will be granted on the preceding Friday. Christmas will be observed on Saturday. Boxing day will be observed on Monday.

If Christmas Day falls on a Sunday, it shall be observed on Monday and Boxing Day on Tuesday.

When Christmas Day falls on a Tuesday, Boxing Day shall be observed on Monday.

When Christmas falls on a Wednesday and Boxing Day falls on Thursday, the Friday following Boxing Day will be granted as an additional holiday. The days of observance will not be moved.

41.1.3 When New Year's Day falls on a Saturday, an additional holiday shall be granted on either the preceding Friday, or the following Monday. The day of observance will not be moved.

When New Year's day falls on a Sunday, it shall be observed on Monday.

41.1.4 Holiday Shutdown

Hydro One may authorize a shutdown over the Christmas - New Year period. In order to encourage employees to voluntarily take this time off, employees will be allowed to use up earned vacation from the following calendar year in order to cover the shutdown period.

41.2 Floating Holidays

Employees who have completed 20 weeks of continuous service in any calendar year are entitled to three floating holidays. Such days will be taken on dates mutually agreeable to the employee and the supervisor. Floating holidays must be taken in the year they are earned (i.e. there is no carryover for floating holidays).

If an employee terminates after completing 20 weeks of continuous service in a calendar year, Hydro One will make a cash payment in lieu of any unused floating holiday credits.

If an employee terminates prior to the completion of 20 weeks of continuous service in a calendar year, entitlement is as follows:

- An employee not entitled to floating holidays in the previous calendar year is not entitled to floating holidays in the current calendar year. If an employee has been granted a floating holiday(s), Hydro One will recover one day's pay for each floating holiday taken.
- For an employee entitled to floating holidays in the previous calendar year, entitlement will be prorated based on the number of weeks of continuous service in the year of termination. Hydro One will either make a cash payment for any unused floating holiday credit or recover the value of any unearned portion taken.

42 EMPLOYMENT INSURANCE COMMISSION REBATE

The value of any Employment Insurance Commission (EI) rebate shall accrue to Hydro One.

43 PREGNANCY/PARENTAL LEAVE

The entitlements in this article are generally described in the brochure "Pregnancy and Parental Leaves for Society Represented Staff", January 2001.

Definitions

Pregnancy leave means a leave of absence of up to 17 weeks for a pregnant employee who has been employed by Hydro One for at least 13 weeks immediately preceding the expected birth date. Unless provided for in this Article, this leave is without pay.

Parental leave means a leave of absence for an employee who has been employed by Hydro One for at least 13 weeks and who is the parent of a child. This employee is entitled to a leave of absence following the birth of the child, or the coming of the child into the custody, care and control of the parent for the first time. Unless provided for in this Article, this leave is without pay.

For an employee who takes pregnancy leave, the leave of absence is for a period of up to 35 weeks. For an employee who does not take pregnancy leave, the leave of absence is for a period of up to 37 weeks.

43.1 Pregnancy Leave

- a) Start Date: Pregnancy leave may begin at any time during the 17 weeks immediately preceding the expected date of delivery.
- b) End Date: Pregnancy leave normally ends 17 weeks after the pregnancy leave began.
- c) Notice: The employee must give Hydro One as much notice as possible and a certificate from a legally-qualified medical practitioner stating the expected birth date. In no case, however, will the employee provide less than two weeks' written notice of the day the leave is to begin.
- d) Reinstatement: At the end of pregnancy leave, the employee will be eligible to return to the position the employee had prior to the leave, if it still exists, or to a comparable position, if it does not.
- e) Benefits: Hydro One will continue to pay Hydro One portion of the contributions for Group Dental, Extended Health Benefits, Pension Plan, Life Insurance, and any other type of benefit plan related to the employee's employment as prescribed by the *Employment Standards Act* for provincially regulated employees, and the *Canada Labour Code* for federally regulated employees, for the duration of the pregnancy leave, unless the employee gives Hydro One written notice that the employee does not intend to pay the employee portion of the contributions, if any.
- f) Service Credits: Employees on pregnancy leave shall be entitled to normal accumulation of service credits for the duration of the pregnancy leave.
- g) A pregnant employee may continue to work during a normal pregnancy until such time as the duties of her position cannot be reasonably performed.
- h) An employee on pregnancy leave does not qualify for sick leave.

43.2 Parental Leave

- a) Start Date: The parental leave must begin no later than 52 weeks after the day the child is born or comes into the custody, care and control of the parent for the first time for provincially or federally regulated employees.

The parental leave of an employee who takes a pregnancy leave must begin when the pregnancy leave ends unless the child has not yet come into the care and control of the parent for the first time.

- b) End Date: Parental leave normally ends 35 weeks after the parental leave began for an employee who also took pregnancy leave or 37 weeks for an employee who did not take pregnancy leave.
- c) Notice: The employee must give Hydro One as much notice as possible but in no case will there be less than two weeks' written notice of the date the leave is to begin.

- d) Reinstatement : At the end of parental leave, the employee will be eligible to return to the position the employee had prior to the leave, if it still exists, or to a comparable position, if it does not.
- e) Benefits : Hydro One will continue to pay the employer portion of the contributions for Group Dental, Extended Health Benefits, Pension Plan, Life Insurance, and any other type of benefit plan related to the employee's employment as prescribed by the Employment Standards Act for provincially regulated employees, and the Canada Labour Code for federally regulated employees, for the duration of the parental leave, unless the employee gives Hydro One written notice that the employee does not intend to pay the employee portion of the contributions, if any.
- f) Service Credits: Employees on parental leave shall be entitled to normal accumulation of service credits for the duration of the parental leave.
- g) An employee on parental leave does not qualify for sick leave.

43.3 Benefits Under the Supplementary Unemployment Benefit (SUB) Plan

- a) In order to be paid a leave benefit in accordance with the SUB Plan, the employee:
 - i) must provide Hydro One with proof that she/he has applied for, and is eligible to receive unemployment insurance benefits pursuant to the *Employment Insurance Act* (EI); *and*,
 - ii) must be regular and employed by Hydro One for at least 13 weeks immediately preceding the date of delivery/adoption; *and*,
 - iii) must (a) be on pregnancy leave, *or* (b) be on parental leave.
- b) According to the SUB Plan, payments will consist of the following:
 - i) for the first two (2) weeks, payments equivalent to ninety-three percent (93%) of the employee's base pay (pregnancy leaves only, not parental leaves); *and*
 - ii) when receiving EI benefits, payments equivalent to the difference between the EI benefits and ninety-three percent (93%) of the employee's base pay. See attached chart for duration of this "top up". Where the employee's base salary exceeds 1.5 times the Years Maximum Insurable Earnings, the employee will receive an additional \$300 as a lump sum as full compensation for any clawback that may be required by Revenue Canada or any other government agency.
 - iii) where an employee becomes eligible for an annual increment/salary schedule adjustment during the period of pregnancy/parental leave, payments under 41.3(b)(i), 41.3(b)(ii) and 41.3 (b)(iii) shall be adjusted accordingly.
- c) An employee who qualifies under Section 43.3(a) shall sign an agreement with Hydro One providing:
 - i) that she/he will return to work and remain in Hydro One's employ for a period of six (6) months from the date of return to work;

- ii) that she/he will return to work on the date of the expiry of pregnancy/parental leave, unless this date is modified with Hydro One's consent or unless the employee is then entitled to a leave extension provided for in this Article;
- iii) that should the employee fail to return to work as per the provisions of Subsections 43.3(c)(i) and 43.3(c)(ii), the employee recognizes that she/he is indebted to Hydro One for the amount received under the SUB plan.

PREGNANCY/PARENTAL LEAVES - TIME LINES

PROVINCIAL AND FEDERAL

(Only maximum entitlements available are shown)

Birth Mothers:

Pregnancy Leave

2 wks 93%	15 wks EI SUB=93%
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Plus Parental Leave as outlined below.

All Parents who are Entitled to Parental Leave and EI Benefits in accordance with Employment Standards Act or Canada Labour Code

Parental Leave if EI Eligible

2 week waiting period (if required)* Unpaid	3 weeks EI + SUB = 93%	Maximum 32 weeks EI
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- Duration of Parental Leave is maximum 35 weeks if the employee has preceded their Parental Leave with Pregnancy Leave. Otherwise, maximum is 37 weeks.

* Note: A waiting period is not always required. Should parents choose to share parental benefits, the parent filing the second claim will not be required to serve a two-week waiting period. There will be one waiting period per birth or adoption.

All Parents who are entitled to Parental Leave in accordance with Employment Standards Act or Canada Labour Code but who are ineligible for EI Benefits

Parental Leave if ineligible for EI

Maximum 35 weeks
Unpaid

44 SCK LEAVE PLAN

It is recognized that the provisions of the Sick Leave Plan are not an automatic right of an employee and that administration of this Plan and all decisions regarding the appropriateness or degree of its application shall be vested solely in the Company.

- 44.1 The Sick Leave Plan provides for maintenance of an employee's income when he/she is absent from work due to illness or non-occupational injury.
- 44.2 Employees are granted 23 days of sick leave a year - eight (8) days at full pay and 15 days at three-quarter pay. These grants accumulate continuously each year if not used, up to a maximum of 200 days at three-quarter pay and no limit to the number of days at full pay.
- 44.3 (This Section applies only to employees hired before January 1, 2002. It does not apply to employees hired on or after this date). In the year in which an employee completes six years of service, all sick leave used in the first year of service will be restored. In the 7th year of service, all sick leave used in the 2nd year of service will be restored. This will continue until the employee has completed 15 years of service. In the 16th year of service, all sick leave used in the 11th through to the 15th years of service will be restored. In every year after 16 years of service, sick leave credits will be restored at the end of the year following the year in which they were used. There will be no payout of unused sick leave credits when an employee leaves the service of Hydro One.
- 44.4 An employee will be reimbursed for any doctor's note required by Hydro One.
- 44.5 The following provisions apply only to employees hired on or after January 1, 2002. They do not apply to employees hired before this date.
 - 44.5.1 When employees have exhausted their sick leave credits and are on sick leave, they will be paid at 75% of their base rate for a period of up to 6 months or until approved for Long Term Disability (LTD), whichever comes first.
 - 44.5.2 Employees who are on continuous sick leave for 6 months and who qualify must go on LTD.
 - 44.5.3 In the event of denial of LTD benefits, employees will have their wages maintained at 75% of their base rate until completion of their LTD appeal, for a period not to exceed 2 months.

45 LONG TERM DISABILITY

The Long Term Disability (LTD) Plan provides financial security and rehabilitative employment features to regular employees during their absence from work due to extended sickness or injury. The benefits and terms and conditions of benefit entitlement of the Long Term Disability Plan are as described in: the Collective Agreement and the brochure entitled "Sick Leave and Long term Disability Plans, updated May 31, 2000". These documents, by reference, form part of the Collective Agreement. The benefits and terms and conditions of benefit entitlement as described in the above documents can be changed by mutual consent only.

45.1 Qualifying Period

The qualifying period is defined as the period six calendar months from the starting date of the employee's continuous absence due to disability; or a total of six months in accumulative authorized medical absences in the year prior to the date sick leave expires due to the same progressively deteriorating disability; or the expiration of sick leave whichever is longer.

45.2 Disability Period

The period in which an employee cannot continuously perform the essential duties of any position available in accordance with the priority placement criteria of the Rehabilitation and Re-employment Procedure.

45.3 Benefits

During the disability period, the plan will provide an income equal to the lesser of:

Sixty-five percent (65%) of base earnings at the end of the qualifying period for LTD benefits, or

Seventy-five percent (75%) of base earnings at the end of the qualifying period for LTD benefits less any pension entitlement and/or any supplement from the WSIB (excluding the Non-Economic Loss award) and or the Canada Pension Plan, excluding benefits for dependents.

A person who runs out of sick leave credits during the qualifying period will be granted a leave of absence without pay until such time as the LTD qualifying period elapses. The employee will continue to receive service credit during this period and have coverage maintained in, but will not be required to contribute to, the Hydro One Pension Plan, Health and Dental benefits, and the Group Life Insurance Plan.

45.4 Other Conditions

45.4.1 Hydro One and/or the insurance carrier reserve the right to periodically obtain necessary proof of continued disability. If at any time an individual who has been declared disabled and placed on LTD is capable of returning to any further service with Hydro One, Hydro One will request and the Society will normally grant a waiver of posting requirements except in the case of redeployment under Employment Continuity.

45.4.2 Employees who are in receipt of LTD benefits will have their LTD benefit levels adjusted by the indexation increase which is applied to Hydro One's Pension Plan.

45.4.3 Where a position is identified that both Hydro One and the employee on LTD agree he/she can become qualified for through educational retraining, Hydro One will pay tuition fees associated with the retraining, up to a maximum of three years.

45.4.4 Employees on LTD must apply for CPP disability benefits after an appropriate period (6 months) unless there are compelling (e.g., medical) reasons that prevent the employee from doing so.

46 WORKERS' COMPENSATION LEAVE

An employee awarded a Workers' Compensation grant shall be granted a compensable disability leave with compensation made up of a tax-free Workplace Safety and Insurance Board award, and a taxable top-up grant for the duration of Workers' Compensation Disability benefits. The top-up grant will ensure an employee's net pay is maintained.

If the employee is awarded a Future Economic Loss (FEL) award and is unable to perform the essential duties of any available job, the leave and top-up grant will be extended for the first 24 months of the FEL award. If an employee is unable to return to work during the first two years of a FEL award, an application for LTD should be submitted. The qualifying period is waived in these cases, and LTD benefits will be payable at the expiry of the first FEL for a qualifying employee.

Pending a decision of the Workplace Safety and Insurance Board regarding the legitimacy of a claim the employee will receive sick leave. Employees who are receiving Workers' Compensation benefits for claims or injuries suffered while in the employ of an Employer other than Hydro One are required to notify Hydro One of being in receipt of those benefits in order to qualify for the top up grant. These employees will not be eligible for sick leave while receiving Workers' Compensation benefits for the top-up grant.

The top-up grant for compensable disability leave will be withheld if the employee refuses a medically suitable position that she/he is capable of performing, pursuant to the provisions of Article 47 ("Rehabilitation and Re-Employment") of the Collective Agreement. The grant may also be withheld where an employee is subject to appropriate discipline or discharge for cause pursuant to Article 17 ("Discipline and Discharge").

Authority for withholding the supplementary grant is vested in Directors.

47 REHABILITATION AND RE-EMPLOYMENT

47.1 Application

This Article applies to Hydro One employees ("eligible employees") who:

- Qualify for Long Term Disability (LTD) Plan benefits; and/or
- Have been approved for a Workplace Safety and Insurance Board (WSIB) award; and/or
- Are regular employees who have medical disabilities that prevent them from performing the essential duties of their jobs. These employees are referred to as medically-restricted-at-work (MRAW).

47.2 Definitions

"Medical rehabilitation" shall mean medical support services to facilitate speedy and maximum recuperation prior to or during rehabilitative employment, including physical, psychological or emotional assessments, therapy, treatment and conditioning.

"Vocational Rehabilitation" shall mean support services to facilitate re-employment, including assessment of transferable occupational skills/aptitudes, identification of specific job accommodation and associated training requirements and formulation of rehabilitative employment plans and counselling.

“Rehabilitative employment” shall mean temporary work assigned to a recovering or recovered employee with an ultimate goal of continuing full employment.

“Affected employees” shall mean employees who have undertaken vocational rehabilitation assessments provided by Hydro One and the results indicate a need for active services to facilitate the goal of returning to continuing full employment. This classification includes employees in receipt of LTD benefits who are assessed medically able to return to work.

“Rehabilitative employees” shall mean employees who are eligible for rehabilitation and are capable of rehabilitative employment.

47.3 General

Rehabilitation employment may not be used as a means to manage, discipline or place employees with poor/unsatisfactory performance unrelated to medical reasons.

47.4 Vocational Rehabilitation

47.4.1 Hydro One shall identify eligible employees as soon as possible and ensure their timely assessment regarding their need for vocational rehabilitation services.

47.4.2 Hydro One shall provide timely vocational rehabilitation services for affected employees. The goal is to facilitate the employee’s re-employment in a continuing capacity that will make maximum use of his or her capabilities.

47.4.3 Hydro One shall develop a rehabilitation plan (“the plan”) for each affected employee. The plan is subject to mutual agreement of the employee, his/her personal physician, the Society (if its participation has been requested by the employee) and Hydro One. The plan will establish a return to work goal that is reasonable and realistic in the circumstances (e.g., recognition that a six-month rehabilitation may be insufficient for LTD benefit recipients in some cases). It will also describe the training, conditioning and therapy programs required to enhance the employee’s capabilities within a defined timeframe. It will include an assessment of an affected employee’s job accommodation needs (e.g., reduced hours, modified light duties, altered work station). The plan shall have a pre-determined duration and will be subject to periodic monitoring to assess the need for corrective actions to maximize the probability of successful continuing full time employment. Any party to the plan may request its review and/or revision.

47.4.4 Hydro One shall pay for vocational rehabilitation services and reimburse employees for reasonable expenses related to vocational rehabilitation.

47.4.5 Affected employees shall cooperate in the development of their vocational rehabilitation plans. MRAW employees shall provide confirmation of the nature of their medical restrictions by his/her personal physician to Hydro One or arrange with Hydro One to have these restrictions assessed.

47.5 Rehabilitative Employment

47.5.1 This section applies to rehabilitative employees.

- 47.5.2 An employee is entitled to placement in a medically suitable and reasonable position that accommodates his/her needs as identified in his/her rehabilitation plan (e.g., reduced hours, modified duties). Where an employee is MRAW, his/her fitness to perform essential duties of a job and work restrictions shall be identified.
- 47.5.2 Although the goal of rehabilitation is continuing employment in a full-time position, some employees have medical disabilities that may not be supportive of working full-time. Where the rehabilitation plan identifies reduced hours (minimum 14 hours maximum 28 hours per week) as a permanent medical restriction (supported by medical evidence) the employee will be re-employed and accommodated in an available and suitable ongoing position while retaining his/her LTD status.
- 47.5.4 The priority placement shall be the employee's return to his/her pre-disability position. Hydro One shall make all efforts to accommodate the employee in his/her pre-disability position.
- 47.5.4 In the event that efforts to satisfy an employee's assessed accommodation needs in his/her pre-disability position are not feasible or upon mutual agreement of the employee, Hydro One and the Society (where the employee has requested its participation), employees may be placed in a suitable alternate position. In these cases, Hydro One shall identify a target position or family of positions compatible with the employee's medical restrictions.
- 47.5.4 Where suitable alternate placement is required or agreed upon, an employee shall apply for vacancies identified by Hydro One as having essential job duties compatible with his/her medical restrictions.
- 47.5.4 Employees will be selected for suitable alternate positions in accordance with Article 65. Where more than one position is available, the employee will be offered the position nearest the salary level of the pre-disability position. The job offer may be no more than two salary levels below the pre-disability position.
- 47.5.8 Priority will be given to placement of employees in positions within Hydro One. External job opportunities, however, will be explored if appropriate internal positions do not exist. The employee must agree to any external placement.
- 47.6 Terms and Conditions of Rehabilitative Employment
- 47.6.1 Base salary in rehabilitative employment positions shall reflect normal scheduled hours worked at the current base hourly rate of the position (i.e., prorating shall apply in reduced hours situations).
- 47.6.2 When a rehabilitative employee is placed in a position whose salary grade is lower than his/her pre-disability position, Hydro One will maintain the base salary and benefits of the pre-disability position until the employee's current pay entitlement as determined by performance standing in the new position exceeds that of the pre-disability position.
- 47.6.3 Rehabilitative employees shall continue to receive approved LTD/WSIB/Sick Leave benefits in accordance with the applicable statutory or collective agreement provisions. However, these entitlements shall be adjusted so that

the total of the rehabilitative base salary and these benefits shall not exceed the current full-time base rate of the position occupied by the employee prior to disablement.

- 47.6.4 Where an employee returning from LTD receives a base salary less than the LTD benefit, Hydro One shall pay a supplementary amount equal to the shortfall to the employee.
- 47.6.5 Employees in receipt of LTD benefits shall receive the greater of the base salary for hours worked or LTD benefit entitlement.
- 47.6.6 Employees in receipt of LTD benefits shall continue to receive full (i.e., full time) service credit during rehabilitative employment and have full coverage (i.e., no prorating) in the Pension and Group Life Insurance Plans.
- 47.6.7 Rehabilitative employees shall be eligible for performance pay increases. They shall receive performance appraisals where medical restrictions do not preclude their application. Performance appraisals and pay adjustments shall take into account medical restrictions with respect to establishing goals and measuring achievements.
- 47.6.8 Following the successful completion of rehabilitative employment and placement in an ongoing position, the employee shall be ineligible for LTD/WSIB/Sick Leave benefits and will receive the normal base salary for their position.

47.7 Termination of Employment

In the event an eligible employee refuses reasonable rehabilitative employment or a reasonable job offer for re-employment, the employee shall be terminated without entitlement to LTD benefits. Where an employee grieves termination for medical incapacity an arbitrator shall have jurisdiction to consider relevant post-termination evidence of rehabilitation.

PART X - HEALTH BENEFITS

Hydro One, through its claims services provider, shall provide extended health benefits and dental coverage as outlined in the brochure entitled "Health and Dental Plan for Society (effective January 1, 2002)" (dated March 19, 2003) as amended pursuant to Section 48.4 and in accordance with the insurance carrier contract in effect at the commencement of the collective agreement. This does not in any way restrict the Employer's right to change the insurance carrier provided employee benefits are unaffected.

48 EXTENDED HEALTH BENEFITS (EHB)

- 48.1 Hydro One agrees to offer employees the option of using the Preferred Vision Services (PVS) Plan, subject to its availability.
- 48.2 Subject to the written consent of the Society, on a case by case and without prejudice basis, Hydro One and individual employees may enter into written agreements ("individual agreements") whereby, for a specified duration, the employees may waive their rights under the EHB Plan and opt for a different/alternative treatment. This enabling provision does not constitute an employee entitlement to different/alternative treatments but rather allows special requests to be accommodated by mutual agreement without increasing the costs of, or entitlements under, the EHB Plan. Neither the provisions of these individual agreements nor the decision by any party not to enter into such an arrangement are grievable.
- 48.3 A joint team will examine and make recommendations on the administration of employee benefits, including cost management of the plans, and for presenting data on employee benefits items as assigned by the parties. This joint team will provide a forum for dialogue on employee benefits during the term of the renewed Collective Agreement. The team shall consist of three representatives and one staff resource from each party plus additional resources as may be needed from time to time.
- 48.4 The health and dental plan and associated brochure shall be amended to include provision for the following changes;
- Increase vision care to \$425 every two years effective April 1, 2005, to \$450 every two years effective April 1, 2007, **to \$475 every two years effective January 1, 2009 and to \$500 every two years effective January 1, 2011.**
 - Coverage of food supplement products like Nutramigen for children and like Ensure and Boost for adults.
 - Coverage of incontinence products for cancer patients.
 - Language will be added to the Benefit Book to reflect the following:**

Pensioners and surviving spouses of pensioners who enter into marriage or common-law marriage are precluded from adding their new spouse and/or new children as dependents on the Hydro One Health and Dental Plan.

Surviving spouses of employees who enter into marriage or common-law marriage are precluded from adding their new spouse and/or new children as dependents on the Hydro One Health and Dental Plan.

49 DENTAL PLAN

- 49.1 Effective January 1st of each year of the collective agreement, the dentist fees will be paid up to the amounts shown in the current Ontario Dental Association (ODA) Fee Guide.

50 SEMI-PRIVATE HOSPITAL ACCOMMODATION PLAN

Coverage under the Semi-Private Hospital Accommodation Plan is unchanged.

51 PERSONAL ACCIDENTS

- 51.1 Hydro One shall pay accident benefits to employees for accidental bodily injury causing temporary total disability, permanent total disability or death in accordance with the current Table of Personal Accident Benefits.
- 51.2 Hydro One shall reimburse employees for medical expenses incurred as a result of an accident in excess of coverage provided by the Hydro One health benefits plans, OHIP or WSIB to the extent permitted by law

PART XI- RELOCATION ASSISTANCE

The following provisions apply to regular employees and are outlined in the brochure entitled "Relocation Assistance Benefits for Performance Paid Staff" (1995). Employees ***in positions covered by Article 25*** will receive the treatment contained herein when appointed to regular positions, and required to relocate as a result of Hydro One's business.

52 HOUSING ASSISTANCE PLAN

52.1 Intent

- 52.1.1 Hydro One's purchase of an employee's principal place of residence is designed to ensure that an employee who moves will not be forced to endure unreasonable periods of family separation or inconvenience due to inability to sell the employee's home at a fair market price.
- 52.1.2 It will be the prerogative of Hydro One to reject an employee's application for Housing Assistance if in Management's opinion the property is not an acceptable risk.
- 52.1.3 The employee must abide by all of the requirements of the Housing Assistance Plan. Failure to do so will result in the employee becoming ineligible for housing assistance from Hydro One.

52.2 Purchase Guarantee

- 52.2.1 Hydro One will provide a purchase guarantee based on an appraisal of the property's current worth by a group of up to three appraisers, to be selected by the Real Estate Service in conjunction with the employee.
- 52.2.2 Hydro One will not request appraisals until the employee is ready to list his or her house in the marketplace providing this is within one year of the employee's transfer to the new work location and the employee is prepared to abide by Subsection 52.2.4 and Subsection 52.3.1.
- 52.2.3 The employee must acknowledge acceptance or rejection of Hydro One's Purchase Guarantee within five days of its receipt. If the employee rejects the Purchase Guarantee, Hydro One has no further responsibility with regard to Housing Assistance or the Purchase Guarantee.
- 52.2.4 If the employee wishes to participate in the Housing Assistance Plan, the employee must not list the property for sale until the Purchase Guarantee has been accepted.
- 52.2.5 Home Appraisal Documentation

Hydro One will provide the Society with an initial six month report of home appraisal documentation prior to January 1, 1995. Representatives from Hydro One and the Society will meet to discuss the particular form and content of subsequent reports. Upon agreement on the form and content a letter of understanding will be developed which will require the report to be given to the Society on a semi-annual basis for the term of this collective agreement. Any

anomalies in the report may be discussed by the Society and the Hydro One confidentially with full disclosure of information (including appraisals).

52.3 Listing of Property

- 52.3.1 If an employee chooses to participate in the Housing Assistance Plan, by accepting the Purchase Guarantee, the employee will immediately list the property for 90 days on MLS (where such service is available) at a price not exceeding 107% of the guaranteed price.
- 52.3.2 The employee will retain the right to sell to a third party until such time as the property is turned over to Hydro One for resale.
- 52.3.3 In order to assist the employee to dispose of the property expeditiously and at a fair market value, the employee should notify the Employee Relocation Administrator of all offers to purchase during the listing period. Hydro One may ask the employee to accept an offer which is lower than the Purchase Guarantee, whereupon the employee will be compensated for the difference between Hydro One's Purchase Guarantee and the amount of the offer. The employee's acceptance of any offer less than Hydro One's Purchase Guarantee is not mandatory and the employee will retain control of the sale of the residence throughout the listing period. All offers to purchase will be held in confidence by the Employee Relocation Administrator.

52.4 Sale of Property by Hydro One

- 52.4.1 The employee must be prepared to sign power of attorney authorizing Hydro One to sell property on the employee's behalf on the first day following the 90 day listing period. If the employee will be unable to vacate the premises at that time, the Employee Relocation Administrator must be notified.
- 52.4.2 Hydro One will pay to the employee the difference between the value of the property to Hydro One (Purchase Guarantee) and all existing encumbrances, including the advance of equity.
- 52.4.3 When an employee applies for assistance under this procedure, he or she must declare under oath, if required by Hydro One, all encumbrances of any nature or kind whatsoever, including executions, chattel mortgages, and notices of conditional sales contracts which the employee is obliged to pay.
- 52.4.4 In consideration of the payment to the employee of the amount established in Subsection 52.4.2, the employee will complete a deed of sale of the property, conveying the same by good and marketable title, but subject to all existing encumbrances, to Hydro One or its nominee.

52.5 Advance of Equity

In order to provide the employee with funds for a deposit or down payment on a residence at the new location, an advance of up to 100% of the employee's equity (Purchase Guarantee minus encumbrances) in the residence at the former location may be loaned to the employee by Hydro One. Advance of equity is interest free for employees who avail themselves of the Purchase Guarantee for 90 days for until the house is turned over to Hydro One or until the closing date of the sale of the house to a

third party, whichever comes first. For employees who reject the Purchase Guarantee, the advance of equity is interest free for 90 days. Repayment is as set out in the Relocation Assistance Benefits brochure.

53 MOVING EXPENSES

53.1 Intent

- 53.1.1 Since Hydro One has province-wide operations, employees may be required to move about the Province as part of their jobs. For clarification, relocation assistance entitlements are not limited to moves within the Province.
- 53.1.2 Hydro One recognizes that there may be a number of relatively costly expenditures associated with moving and will endeavour to ensure that such expenses will be adequately covered.
- 53.1.3 Hydro One will not assume responsibility to compensate for any upgrading in an employee's standard of living which may take place as a result of moving.
- 53.1.4 The Housing Assistance Plan will apply to the employee's principal place of residence and will not cover summer cottages, commercial real estate holdings or other secondary properties.
- 53.1.5 Employees who receive any moving expenses are subject to Canada Customs and Revenue Agency rules and regulation.
- 53.1.6 Relocation expenses will not be paid for work headquarter transfers within the boundary of the current City of Toronto, save for exceptional circumstances of hardship as may be reasonably determined by Hydro One.
- 53.1.7 Notwithstanding anything in this Article, in order to qualify for moving expenses after the employee's headquarters moves, the headquarters move must result in a greater distance from the employee's home.

53.2 Minimum Moving Distance

- 53.2.1 Normally, an employee must move a minimum of 40 road kilometres by the shortest normal route closer to the new work location to qualify for relocation assistance.
- 53.2.2 The provisions set out in Subsection 53.2.1 will apply unless Mid-Term agreements pursuant to Article 7 are in effect.

53.3 Expenses for Reimbursement

53.3.1 Household Effects

Hydro One will arrange for and shall pay the cost of packing, moving by freight or truck and insurance charges on household effects.

53.3.2 Home Buying and Legal Fees

Employees shall be reimbursed for legal disbursements and real estate brokerage fees associated with the purchase and/or sale of property valued up to five times the employee's annual base salary in the new location at the time of job transfer as follows:

a) Legal Fees

- The employee will advise Hydro One of his/her preferred lawyer. Hydro One will request the lawyer for an estimate on what the fees will be to complete the sale and/or purchase transaction. If Hydro One finds the solicitor's estimate to be unreasonable, Hydro One will ask the employee to recommend another solicitor to close the transaction.
- Legal fees and disbursements actually incurred in selling an old and buying a new residence will be paid by Hydro One.
- Legal fees shall be defined to include fees for arranging or discharging a first mortgage when required and will include land transfer tax.
- Disbursements shall be defined herein as those items paid by a lawyer on behalf of the employee for services in connection with the purchase or sale of the employee's residence including land transfer tax and land surveys when required, Ontario New Home Warranty Program if required for a new house, GST, and penalty costs to a maximum of three months' interest payments involved in discharging a first mortgage on the residence in the former location when required.

b) Referral Fees/Home Inspection

- When the employee is prepared to submit an offer to purchase on a property, Hydro One will make arrangement for one home inspection at Hydro One's expense. All offers to purchase should have a clause in the offer conditional upon the positive results of an inspection report. Any additional inspections for any reason will be at the employee's expense.
- Real estate brokerage fees charged by a real estate agency to the maximum standard recognized scale for services rendered in selling the employee's house shall be paid by Hydro One.

Note: The changes identified above are not meant to take away the existing right of the employee to select the real estate agent or lawyer.

53.3.3 Transfer Expenses

A transferred employee is expected to make arrangements to move expeditiously but this should not exceed a period of one year from date of transfer, except where there is a specific agreement between the employee and local management for an extension. The employee must provide in writing his/her intention to move to the supervisor, prior to receiving payment for any applicable living expenses. Reimbursement for actual costs incurred in the move will be allowed as follows:

- All employees who are eligible for moving expenses shall be afforded 12 weeks from the date the employee reports to work in the new location (i.e., date of transfer) to decide whether or not they wish to move. Payment of the following expenses is predicated on the employee maintaining his/her previous principal residence:
 - a) During this 12 week period, the employee shall have the option of either commuting to and from his/her new work location and receiving incremental travel expenses (i.e., additional travel costs beyond the employee's normal travel costs to the old work location), the total cost of which not to exceed living expense equivalent, or being paid living expenses in the new location. If the employee expressly indicates that he/she does not intend to relocate his/her residence, all expenses will cease at that time.
 - b) All expenses will stop at the end of the 12 week decision period unless the employee has provided in writing his/her intention to move within one year of date of transfer. Providing that the employee demonstrates to Management's satisfaction that arrangements to move with employee's family to the new location are being made as quickly as possible, the employee's living expenses in the new location or incremental travel expenses will be paid until such time as the employee moves or for a period not to exceed a further 6 months unless the employee can demonstrate serious hardship, in which case the period of expense coverage is 9 months (in addition to the initial 12 week decision period). The time limits mentioned above may be extended by a specific mutual agreement between the employee and line management for a total period not to exceed two years from the date of transfer.
 - c) If an employee, after providing written notification of his/her intention to move fails to do so, all expenses paid on his/her behalf or travel expenses paid to him/her for any period beyond the initial 12 weeks from the date of transfer or the date of his/her written intent to move, whichever comes first, shall be repayable to Hydro One. Repayment shall be made within one month of a written communication stating his/her intention not to move or within one year of date of transfer whichever comes first.
 - d) Exceptions to the repayment requirement should the employee fail to move may be made by reasonable exercise of the Business Leader's discretion (e.g., for reasons of significant unforeseen life hardships, Hydro One transfers, Hydro One international assignments, etc.).
- Transportation to the new location and living expenses while in transit to the new location will be paid for the employee and family (spouse and dependent children) and any other dependents of the employee's household. A reasonable number of visits by the employee and family, to the new location to assist in the selection of a new principal residence will be paid at the discretion of local Management.
- Living expenses of the employee and family during the period while household effects are in transit will be paid.

- Reasonable upkeep costs including mortgage interest on the old residence will be paid for a period of up to three months after the employee has moved to the new residence but still retains title to the old residence due to an inability to sell. If closure of the sale is imminent, the period may be extended by up to six weeks.
- Time off with pay to a maximum of one day's base earnings if the day of the move falls on a normally scheduled working day.
- Employees may elect, subject to the negotiations of their availability through Business Unit Mid-Term Agreements (Article 7), to receive lump sum payments in lieu of the following:
 - * temporary living expenses;
 - * reimbursement for costs associated with return to residence headquarters;
 - * benefits and expenses associated with house hunting trips;
 - * temporary storage, etc.

53.3.4 Spousal Assistance

An employee will be reimbursed for his or her spouse's job search expenses, supported by receipts, up to a maximum of \$750.00.

53.3.5 Rental Assistance

An employee who transfers to a higher cost rental area and who rents comparable rental accommodation will be provided with rental assistance by Hydro One as follows. The extent of this assistance will be the lesser of:

a) the monthly rent in the old location multiplied by Hydro One's rental differential;

or

b) the amount of the monthly increase in rent.

An employee who rents in the former location and purchases in the new location will be eligible for the equivalent of rental assistance as will the employee who conversely owns a home in the former location and rents in the new location.

Rental assistance will be provided for a five year period, based on 100% assistance in the first year and decreasing by 10% annually over the next four years.

This assistance will cease if the employee transfers to a new work location, terminates his/her employment with Hydro One, ceases to rent, retires or dies.

53.3.6 Rental Management Program

Upon request, Hydro One will arrange for a rental management firm to rent an employee's house when he/she is expected to return within five years and will pay the costs associated with this arrangement if it is in Hydro One's financial interests to do so.

53.3.7 Miscellaneous Expenses

Employees will be reimbursed for miscellaneous expenses associated with the move up to the limit of one month's salary based on normal scheduled hours of work. These expenditures are intended to cover items such as:

- cost of rental search assistance;
- costs incurred as a result of the move such as, cleaning, painting and decorating costs; adaptation, removal, installation or replacement of house furnishings and appliances;
- costs for connecting water, natural gas, and electricity to a new house if charged to the employee as purchaser.

Employees will not be reimbursed for capital expenditures which tend to increase the market value of a house, major house repairs or renovations.

53.4 Second Related Move

If a suitable residence is not available at time of transfer, an employee may rent temporary premises for up to one year. Under these circumstances, Hydro One will reimburse the employee for costs incurred in accordance with all Sections of this Agreement for either one of the two moves. For the other move, only costs of transportation, moving household effects, and legal fees incurred will be paid.

53.5 On Retirement

53.5.1 If Hydro One requires an employee who occupies a house or trailer on Hydro One property or a site under Hydro One control to move on retirement, the employee will be reimbursed as outlined in Section 53.3 for the cost of a move to any location in Ontario in which he or she desires to settle.

53.5.2 If an employee is requested to undertake a change in work headquarters involving a change in principal residence, and is age 55 or older on the date of transfer, consideration shall be given to the reimbursement of some or all of the moving expenses of that individual upon eventual retirement from Hydro One. The extent and terms of the assistance to be provided upon retirement will be determined at the time of transfer.

53.5.3 Only moving expenses within the Province of Ontario or to the nearest exit point from the Province will be eligible for consideration.

54 FINANCIAL ASSISTANCE PLAN

Hydro One shall contribute towards the interest costs on the increase in capital expenditure for an employee who is transferred to a higher cost housing area. Eligibility for this assistance will be determined by using:

- a) a house-for-house comparison conducted by Hydro One.

The amount of assistance will depend upon the:

- sale price of the residence in the former location;
- relative value of comparable housing in the new location;
- actual increase in housing costs (purchase price less sale price);
- current interest costs

The locality differential will be based on the differential in effect as of the date of closing of the purchase of the residence in the new location. The interest rate used to calculate the level of assistance will be based on Hydro One's employee housing loan rate for a five year term as published by the Treasury Division (or the actual mortgage rate, whichever is less) as of the date of closing of the purchase of the residence in the new location.

The financial assistance will decrease annually in twenty (20) percent increments over a five year period.

An employee receiving financial assistance must advise Hydro One if he/she sells or rents his/her house in the new location within five years of purchase. Assistance provided to the employee will be reviewed and revised accordingly.

Financial Assistance ceases upon termination or retirement. However, should an employee die while receiving financial assistance associated with relocation, such assistance may continue as per the original entitlement based on a case-by-case review by the Business Unit providing the following condition is met:

- the designated beneficiary provides affidavits on an annual basis that the principal residence for which the assistance is paid continues to be his/her principal residence and that no new revenues for renting any portion of the residence are being received.

55 HOUSE EVALUATION AND GUARANTEE PLAN

Upon subsequent transfer within Hydro One, an employee will be guaranteed his/her purchase price up to a maximum of four times his/her base salary at the time of the initial transfer (plus \$1500 for capital improvements on new homes, \$15,000 for resale homes or minus \$3,000 for damages to the property). This guarantee will be for a period of ten years from the date of purchase. Improvements must be verified by receipts and do not include normal painting, decorating and maintenance costs. An employee may not sell his/her house for less than the guaranteed amount without the consent of Hydro One.

56 COMPENSATION WHEN ASSIGNED TO TEMPORARY WORK HEADQUARTERS

56.1 Intent

- When there is an assignment to a Temporary Work Headquarters, the employee and his/her supervisor must have a mutual understanding of the terms of the assignment prior to its commencement using the following provisions.
- Employees assigned to a Temporary Work Headquarters should not be separated from their families for exceptionally long periods of time due to work requirements and should be compensated for all reasonable out-of-pocket expenses and travel costs.

- c) When an employee is assigned to a Temporary Work Headquarters, the employee will normally remain at the Temporary Work Headquarters. If there is mutual agreement between the supervisor and employee to commute daily, then the employee may do so.
- d) Employees will be reimbursed for all reasonable out-of-pocket expenses associated with being assigned to the Temporary Work Headquarters.
- e) Employees will be reimbursed for any additional travel costs beyond their normal travel costs to their Regular Work Headquarters.
- f) Travel time on the first trip to, and on the last trip from, the Temporary Work Headquarters shall be either during normal scheduled hours or compensated in accordance with Article 59 (Travel Time) if outside normal scheduled hours.
- g) Selections for Temporary Work Headquarters assignments should not be made on the basis of travel cost considerations.

56.2 Definitions

"Regular Work Headquarters": The location to which the employee normally reports in order to receive work assignments or to perform regular duties.

"Temporary Work Headquarters": The location to which an employee is directed in order to carry out assigned duties away from Regular Work Headquarters.

"Periodic Return": The return to the employee's principal residence once every two weeks.

56.3 Compensation When Remaining at Temporary Work Headquarters (TWHQ)

- a) When the employee resides at the TWHQ and does not commute, the employee shall be reimbursed for all reasonable out-of-pocket expenses incurred while at the TWHQ.
- b) An employee who resides at the TWHQ will be allowed a periodic return once every two weeks.

The employee shall be reimbursed for travel costs associated with the periodic return for the distance between his/her principal residence and his/her TWHQ, less normal travelling costs. Travel time associated with periodic return, outside normal scheduled hours and in excess of one hour each way, shall also be compensated. Compensation will be either in equivalent time off, or in pay, at straight time rates. Time spent in obtaining a meal will not be compensated.

- c) On intermediate weekends, if the cost of remaining at the TWHQ would be less than the cost of a return trip, the employee may claim actual travel costs up to the cost of remaining at the TWHQ. If the cost of remaining at the TWHQ is greater than the cost of a return trip, the employee may be reimbursed for all travel costs incurred for a return trip on that weekend.
- d) For employees who reside in rental or leased accommodation at the TWHQ, cost of travel on intermediate weekends will be based on the lesser of a per diem rate

based on the daily costs of normally used local hotel/motel accommodation (meals included) or actual travel costs (less normal travelling costs).

- e) Travel time will not be paid for return trips to home on intermediate weekends.

56.4 If the temporary assignment appears to cause the employee to reside separately from his/her family for a long duration, and for long distances, i.e., more than 100 kilometres, the supervisor may permit the employee to rent accommodation for his/her family near the TWHQ. In this situation, the employee will be reimbursed for all reasonable out-of-pocket costs, including the difference in rent paid out in the temporary location and any rent received from the principal residence.

56.5 Compensation for Daily Commuting To, and From, Temporary Work Headquarters

- a) When an employee and supervisor have mutually agreed that the employee may commute to the TWHQ on a daily basis, the employee shall be compensated for his/her travel time in accordance with the provisions of Article 59 ("Travel Time").

The use of a Hydro One vehicle will be one of the commuting options considered.

If a Hydro One vehicle is not used, the employee shall be compensated for his/her travel costs (i.e., public transportation costs or cents per kilometre, whichever, in the Supervisor's opinion, is the most reasonable considering the travel time and transportation expenses involved) in addition to his/her travel time.

The total amount of reimbursement for the employee's travel time and travel costs will be up to a maximum of the expenses that would have been incurred if the employee were to remain at the Temporary Work Headquarters (lodging and meals). In determining this maximum, consideration will also be given to the expenses that would have been incurred if the employee had used a Hydro One vehicle.

- b) When an employee commutes daily, he/she is required to be at the Temporary Work Headquarters at normal starting time and remain until normal quitting time.

Note: Where the planned duration of the assignment at a Temporary Work Headquarters is greater than one year, the employee will be eligible for full relocation assistance.

56.6 Exception

This Article does not apply to employees who on a daily or short-term basis may be required to work at a number of different work headquarters. In these cases, local management will determine the appropriate compensation treatment, but such compensation will not be less than that applicable to other employees under this Article.

PART XII - TIME WORKED OUTSIDE NORMAL HOURS

57 ON-CALL SERVICE

The following on-call service provisions shall apply.

57.1 Definition

On-call service is the requirement to be available outside normal work hours to meet unusual conditions, satisfy needs for assistance or direction, and return to work within a reasonable time, as specified by the supervisor. During the period of assignment, the staff member must be capable of responding. Normally, employees are not expected to be on call for a continuous, long-term period.

57.2 Payment

57.2.1 Compensation for on-call service is applicable in the following cases:

- a) there is a regular need for it (e.g. weekly, monthly, annually) and;
- b) the supervisor formally notifies the employee of the assignment.

57.2.2 The on-call service payment for any 16-hour period outside normal work hours is one half hour per day calculated at **Step 9** MP4/TMS5.

57.2.3 The on-call service payment for any 24-hour period outside normal work hours (i.e., Saturday, Sundays, Statutory Holidays and granted days) is one hour per day calculated at **Step 9** MP4/TMS5.

57.2.4 The on-call service payments specified above will apply only to the time periods as specified.

58 OVERTIME

The following provisions shall apply to employees when assigned to work overtime.

58.1 The method of compensation, for authorized overtime, may be money or time off at the appropriate premium rate. The employee or the supervisor may propose the method of payment, but it is the supervisor's responsibility to approve the method of payment most compatible with the unit's needs. Prior understanding between the supervisor and employee is desirable.

58.2 Day Workers

Overtime Worked	Overtime Hours	Rate of Payment
Monday to Friday	Authorized overtime beyond normal scheduled hours worked in the day	Time and one half (T-1/2)
Saturday	Authorized overtime	Time and one-half (T-1/2)
Sunday	Authorized overtime	Two times (2T)
Statutory Holiday	Authorized overtime	Monday to Friday: Two times

		(2T) for all unscheduled hours plus a Statutory Holiday credit. Saturday: Two times (2T) for all unscheduled hours worked.
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58.3 Shift Workers

Overtime Worked	Overtime Hours	Rate of Payment
Scheduled Work Days	Authorized overtime beyond normal scheduled hours worked in the day.	Monday to Saturday: Time and one half (T-1/2) Sundays and Statutory Holidays: Two times (2T)
Scheduled Days Off	Authorized overtime on a normally scheduled day off.	Monday to Saturday: Time and one-half (T-1/2). Sunday: Two times (2T). Statutory Holidays (Monday to Friday): Two times (2T) plus a Statutory Holiday credit for hours worked up to normal hours for the day. Statutory Holiday (Saturday): Two times (2T).

58.4 For OSS and TMS staff required to work overtime and supervise staff receiving a higher overtime rate than that paid under Sections 58.2 and 58.3 above, the treatment shall be as follows: OSS and TMS staff receive two times their base hourly rate for all work, as described above, performed outside the first four clock hours after normal quitting time, Monday to Friday, and for all such work performed on Saturday.

58.5 In addition to employees covered under Subsection 58.4 employees who are directly involved in the operation, maintenance or construction of production, transmission or distribution facilities (exclusive of head office staff) and who directly supervise or work beside PWU employees will be compensated with the equivalent to PWU overtime premiums for all overtime worked, including the minimum payments received by PWU staff for both emergency and scheduled overtime. Employees work beside PWU employees if, as a regular part of their job, they are required to work with PWU staff on essentially the same job, under the same general conditions, and their presence at site for the overtime in question is necessary for task progress.

Employees may be designated as eligible under the above on an on-going basis or on an assignment by assignment basis at the discretion of Hydro One.

58.6 Recording Overtime

Management shall record assigned and paid overtime and will report the same to the Society every 6 months.

59 TRAVEL TIME

The following provisions shall apply to employees who are required to travel on business for Hydro One.

59.1 General

Some traveling time outside of normal hours of work to and from work locations, other than the regular work headquarters, is an inherent part of many jobs, for which no additional compensation is normally made.

59.2 Excessive Travel

a) It is recognized that in some situations travel might be excessive. In these cases, the preference is for the supervisor and the employee to arrive at a mutual agreement as to what constitutes "excessive". This determination should be based on the following considerations:

- the amount of travel time that is required (hours per day, week and month)
- the choice of travel options
- the cost of travel choice/option
- if the employee travels with PWU employees (i.e., internal relativity)
- the time above and beyond the employee's normal travel time between home and normal work headquarters
- the desire to compensate for travel time with time off

Where there is no mutual agreement, excessive travel time shall be defined as follows and compensated at straight time:

- the travel time in excess of one hour at the beginning and end of the normal scheduled day and greater than the employee's normal travel time; OR
- where the daily rate is not exceeded, the travel time in excess of five hours per week greater than the employee's normal travel time; OR
- where neither the daily nor weekly rate is exceeded, the travel time in excess of twenty (20) hours per month greater than the employee's normal travel time.

b) When a special assignment calls for departure from the employee's home in the evening, or on a regular day off, time spent in travel will be compensated at straight time.

59.3 Emergency Overtime Work

Non-Prearranged Overtime Work: Travel time will be paid at the appropriate overtime rates for any work outside and in addition to normally scheduled hours for which there has been no pre-arrangement and an extra trip is required. Notification for prearranged overtime must be given at least 24 hours in advance of the start of such work.

59.4 Attendance at Seminars, Conventions, Etc.

- a) When an employee attends a convention, seminar, training course, or similar function and does not arrive at the destination or depart from it until after normal work hours, no additional time allowance will be paid, i.e., this travel time will be considered as part of the employee's contribution to attendance at a mutually benefiting function of this nature.
- b) Where Hydro One directs an employee to take a training course, travel time will be compensated in accordance with Article 59.2 .

59.5 Flexibility

Variations to the provisions of this Article made by agreement between the supervisor and the employee are permitted, subject to Director approval.

60 SHIFT WORK (M&P, TMS)

60.1 Definitions

Shift: All scheduled hours of a shift are considered to occur in the calendar day that the shift ends.

Scheduled Work: The hours of work assigned as per the shift schedule. Scheduled work cannot include overtime.

Positive/Negative Time Balances: Total hours accumulated in a time bank less the product of the normal scheduled hours of work for the position times the number of weeks since the time bank was previously balanced to zero. The result may be positive or negative.

60.2 Shift Workers

Consultation with the Society will occur prior to implementation of any future change to scheduled hours. Hours of Work will not be changed as a result of this Article.

Some jobs are shift work jobs e.g. Shift Operating Supervisors. Management reserves the right to put incumbents in these jobs on shift.

The job evaluation plan used to evaluate M&P jobs will be used as the vehicle to determine the relative worth of M&P shift positions within the shift family of jobs, and to establish appropriate relativity between positions in this family and other non-shift M&P positions.

The requirement to obtain and maintain a license(s) to hold a shift position shall be identified in the job document (description and specification).

The number of personnel provided per shift position shall be such that no regularly scheduled overtime will be required. Due to the nature of Hydro One's operations, it may be necessary for employees on shift to work some overtime.

Management shall retain the right to place employees in shift positions for training and development purposes provided that the implications of possible classification changes

on completion of the shift development phase are fully identified to the incumbent before the shift position is accepted.

Management shall provide an opportunity for input from employees prior to establishing shift schedules.

Management will use reasonable efforts to provide a minimum of seven (7) days' notice for shift workers when their hours of work, as shown on the regular schedule, are to be changed, except in the case of a forced unit outage or for reasons of equipment failure or safety. Management will use reasonable efforts in revising the regular schedule so as to provide the following minimum hours off between shifts:

- a) Shift change notices between 12-hour shifts will provide at least 12 hours off.
- b) Shift change notices from a 12-hour shift to an eight-hour shift will provide at least 12 hours off.
- c) Shift change notices from an eight-hour shift to a 12-hour shift will provide at least 15 hours off.
- d) Shift change notices between eight-hour shifts will provide at least 15 hours off.

60.3 Shift Allowances (M&P, TMS)

- a) Shift Premiums
 - Shift work on Saturdays and Sundays: 50% of 95% of MP4 **Step 9** rate per hour worked.
 - Shift work on statutory holidays: 95% of MP4 **Step 9** rate per hour worked.

The Statutory Holiday shift premium shall be paid on an actual hourly-as-worked basis.

- b) Shift Differentials
 - For work on an 8-hour afternoon shift (1600 - 2400 hours) - 70¢ per hour worked
 - For work on an 8-hour night shift (0000 - 0800 hours) - 95¢ per hour worked
 - For work on a 12-hour night shift only - \$1.10 per hour worked.

60.4 Information Technology Organizations (M&P)

In information technology organizations where the shift allowance payable to an M&P Shift Supervisor does not amount to at least 112% of the shift-related payments received by the PWU-represented staff working the same shifts, an annual adjustment will be made to the shift allowance for the M&P Shift Supervisor.

Until Hydro One is able to solve the relativity problem in information technology organizations, M&P shift supervisors shall receive an annual adjustment which would result in a 12% differential between their shift allowance and the shift-related payments

received by the PWU-represented staff working the same shifts. Where a 12% differential exists, no annual adjustment will be made.

Employees in information technology organizations who either start or leave an M&P shift position during the year will receive a monthly pro-rated allowance. One-half month's tenure is necessary for receipt of the allowance for that month.

60.5 Ten Hour Shifts

Hydro One may assign employees covered by this Article to 10 hour shifts, without a vote, with the exception of employees subject to the Letter of Understanding re "Hours of Work for Field Management and Professional (FM&P) Staff" dated July 2, 1996.

The following conditions shall apply:

a) Notice

Management will use reasonable efforts in revising the regular schedule so as to provide the following minimum hours off between shifts:

- i) Shift change notices between 10-hour shifts will provide at least 12 hours off.
- ii) Shift change notices between a 10-hour shift to a 12-hour shift or vice versa, will provide at least 12 hours off.
- iii) Shift changes notices from a 10-hour shift to an 8 hour shift or vice versa will provide at least 15 hours off.

b) Shift Differential

- First shift - 0600 - 1800 hours - no shift differential
- Second shift - 1400 - 0200 hours - \$0.70 differential per hour worked

c) Shift Premium

- Shift work on Saturdays and Sundays - 50% of 95% of MP **Step 9** rate per hour worked.
- Shift work on statutory holidays - 95% of MP4 **Step 9** rate per hour worked.
- The statutory holiday shift premium shall be paid on an actual hourly-as-worked basis.

d) Special Circumstances

Collective Agreement provisions for time off shall apply except as modified for the following Special Circumstances;

On 10-hour day/shifts the following items will be credited for pay purposes on an hour-for-hour basis:

- i) Vacation
- ii) Floating Holidays
- iii) Sick Leave

- iv) Leave of Absence/Unpaid Time Off
 - v) Travel Time
 - vi) Medical and Dental Consultation - Periods of less than four hours shall not be deducted from sick leave credits.
- a) In the application of the above-noted items (i) (ii) and (iii), a “days” entitlement will mean eight hours, i.e. a 10-hour day/shift will constitute one day and two hours deducted from credits.
 - b) When an employee is scheduled to work a 10-hour day/shift and one of the under-noted conditions occurs, a “day” will be considered to be 10 hours.
 - i) Jury duty and attendance at court
 - ii) Funerals
 - iii) Moving Day
 - iv) Time Charges for Attendance at Delegates’ Council and meetings of the Society’s Board of Directors.

60.6 Periodic Shifts for Non-Shift Workers

- 1) Periodic shifts for non-shift employees shall be allowed to mirror shifts created under PWU "periodic shift" agreements in force at the time of settlement, when the Society employee(s) provides direct supervision or technical support (including inspection/testing) alongside such PWU-represented employees for:
 - a) field settings
 - b) laboratory settings.
- 2) In the circumstances described in paragraph 1, above, an employee shall be assigned to periodic shifts for a maximum of 60 working days per fiscal year in the aggregate, under applicable shift provisions of the Collective Agreement including normal shift differentials and premiums. Where the PWU supply non-shift workers, the Society shall not unreasonably withhold its consent to supply consistent supervision for the duration of the project.
- 3) This Article does not alter existing local agreements in force at the time of settlement, including agreements reached pursuant to Article 71, and modifications of the provisions of paragraphs 1 and 2 are negotiable as local agreements pursuant to Article 7.
- 4) The parties may review the application and operation of this Article prior to the end of the Collective Agreement.

61 SHIFT WORK (FM&P)

61.1 Intent

- Assignment of FM&P staff to shift will normally be on a voluntary basis. However, in the absence of any qualified volunteers, Hydro One reserves the right to appoint specific individuals to perform the work.
- An employee who has volunteered may opt out of a shift arrangement by giving one month’s written notice, subject to the above.

- Except in an emergency situation, at least seven days' notice will be given with respect to shift change notices.
- Hydro One will propose shift arrangements and seek the Society's input on proposed shift arrangements.
- A minimum period for a shift is four days.
- Hydro One reserves the right to terminate specific shift arrangements by giving one month's written notice.

61.2 Definitions (See Article 60)

61.3 Shift Differentials

Scheduled hours worked in shifts commencing during the following hours shall have the following shift differential apply:

- a) two- or three-shift coverage of eight hours or less:

07:00 – 10:00	Zero differential
10:00 – 18:00	An amount equal to one-seventh of FM&P 12 reference point rate per hour worked
18:00 – 07:00	An amount equal to one-fifth of FM&P 12 reference point rate per hour worked

- b) two-shift coverage of greater than eight hours:

06:00 – 10:00	Zero differential
10:00 – 06:00	An amount equal to one-fifth of FM&P 12 reference point rate per hour worked

61.4 Shift Premiums

Scheduled hours worked on Saturday and Sunday will be paid at an amount equal to the employee's base rate plus half of FM&P 12 **Step 9** rate per hour worked.

For scheduled work performed on a statutory holiday, the amount paid equals the employee's base rate plus one times FM&P 12 **Step 9** rate per hour worked. An additional day off will be scheduled in lieu of the statutory holiday.

61.5 Overtime

Authorized overtime beyond the normal scheduled shift hours shall be compensated in accordance with the overtime provisions of this Agreement.

61.6 Time Balancing

A time bank will be established for each employee to record the total number of scheduled hours worked plus scheduled hours paid for vacation, sick leave, time off in lieu or other approved paid time off. The time bank will be reduced to zero after the duration of the shift schedule.

For positive time balances the employee may elect:

- i) payment at time and a half for 50% of the hours and double time for the remainder;
- or
- ii) time off at straight time.

Negative time balances existing at the end of the shift schedule, or caused by interruption or cancellation, will be written off.

Overtime hours are not counted in the time bank.

61.7 Special Circumstances

In the application of the under-noted items a reference under the appropriate provision to "days" entitlement will mean eight hours. For example, a 12-hour shift will constitute one and one-half days deducted from credits. Items (e) and (f) will be credited, for pay purposes, on an hour-for-hour basis.

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Leave of Absence
- e) Travelling Time Outside Normal Working Hours
- f) Payment for Relief Work

When an employee is scheduled to work shift and one of the following items applies, a "day" will be considered to be one scheduled shift.

- a) Legal Hearings
- b) Funerals
- c) Moving Day

61.8 10 Hour Days/Shifts

On 10-hour days/shifts the following items will be credited for pay purposes on an hour-for-hour basis:

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Leave of Absence/Unpaid Time Off
- e) Travel Time
- f) Medical and Dental Consultations – Periods of less than four hours shall not be deducted from sick leave credits.

In the application of (a), (b) and (c) above, a “day’s” entitlement will mean eight hours i.e., a 10-hour day/shift will constitute one day and two hours deducted from credits.

When an employee is scheduled to work a 10-hour day/shift and one of the following conditions occurs, a “day” will be considered 10 hours:

- Jury duty and attendance at court
- Funerals
- Moving Day
- Time Charges for Attendance at Delegates’ Council and Meetings of the Society Board of Directors.

On a 10-hour day/shift, basic Statutory Holiday and special time off provisions remain unchanged i.e., time off and pay entitlements will continue to be calculated on an eight-hour basis. Employees will be given the opportunity to recover two hours when a Statutory Holiday falls on a scheduled 10-hour day/shift and the employee is not given the opportunity to work. Such hours shall be worked at straight time and shall be scheduled by mutual agreement between the employee and his/her supervisor.

On a 10-hour day/shift, authorized overtime beyond 10 hours work on scheduled workdays and all hours worked on scheduled days off shall be compensated in accordance with Article 58.

62 COMPENSATION AND WORKING CONDITIONS - 12-HOUR SHIFT SCHEDULE

The following provisions apply to employees who work a 12-hour shift schedule.

62.1 General Provisions

- 62.1.1 The 12-hour shift schedule will average the regular scheduled hours per week for employees and will indicate the days and hours of work (shift) for each employee. Payment will be determined in accordance with this Article and as outlined elsewhere in Article 60 (“Shift Work - M&P, TMS”).
- 62.1.2 The implementation of 12-hour shift work will be on the understanding that its application will not result in any appreciable increase in cost to Hydro One.
- 62.1.3 Hydro One or the Society shall have the right to terminate 12-hour shift work. Written notice must be provided by the Department Manager to the Society President or vice versa.

- a) If the notice is two months prior to the end of the current schedule, 12-hour shift work will terminate at the end of the current schedule. Reason(s) for termination will be provided by the respective party.
- b) The 12-hour shift schedule may be cancelled immediately by Hydro One should any of the following be adversely affected: safe operation of plant; health of shift workers; public safety.

Shift work monitoring criteria may include employee health, employee safety, employee attitude, attrition, overtime availability, insufficient notice for shift change, operating error, productivity, shift turnover and cost.

- c) When employees at any Department have exercised the right to opt out of time-balanced 12-hour shift work, no new 12-hour shift work may be introduced for those employees without the mutual agreement of local management and the local Society Unit Director.

62.1.4 All policies and agreements which normally apply to employees will continue to apply unless specifically stated otherwise in this Article.

62.2 Shift Differential

A shift differential of \$1.10 per hour worked will be paid to 12-hour shift employees for each night shift hour worked, in accordance with Article 60.3 ("Shift Work (M&P, TMS)").

62.3 Shift Premium

Hourly shift allowances shall be paid to M&P and TMS shift workers, for hours worked as follows:

Shift work on Saturdays and Sundays	50% of 95% of the MP4 Step 9 rate per hour worked.
Shift work on Statutory Holidays	95% of the MP4 Step 9 rate per hour worked.

The Statutory Holiday shift premium shall be paid on an actual hourly-as-worked basis.

62.4 Overtime

62.4.1 Authorized overtime beyond 12 hours of work on scheduled workdays Monday to Saturday inclusive and all hours worked on scheduled days off Monday to Saturday inclusive shall be compensated in accordance with the overtime provisions of this Agreement.

62.4.2 Authorized overtime beyond 12 hours of work on scheduled workdays which are Sundays or Statutory Holidays and all hours worked on scheduled days off which are Sundays or Statutory Holidays shall be compensated in accordance with the overtime provisions of this Agreement.

62.5 On-Call

On-call service payments will not be applied to those employees on the Minimum Availability Requirement (MAR) list (see Section 62.8).

62.6 Special Conditions

62.6.1 The following items will be credited for pay purposes on an hour-for-hour basis:

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Time Off Without Pay
- e) Travel Time
- f) Medical and Dental Consultations - Periods of less than four hours shall not be deducted from sick leave credits.

62.6.2 In the application of the above-noted items (a), (b) and (c), a reference under the current provisions of this Article to a "day's" entitlement will mean eight hours. Therefore a 12-hour shift will constitute one and one-half days deducted from credits.

62.6.3 When an employee is scheduled to work a 12-hour shift and one of the under-noted conditions occurs, a "day" will be considered to be 12 hours.

62.6.4 Jury duty and attendance at court.

62.6.5 Funerals.

62.6.6 Moving Day.

62.6.7 Time Charges for Attendance at Delegates' Council and meetings of the Society's Board of Directors.

62.7 The basic Statutory Holiday and special time off provisions remain unchanged in that time off and pay entitlements will continue to be calculated on an eight-hour basis.

62.8 Minimum Availability Requirement (MAR) List

62.8.1 In order that a sufficient number of shift employees are on duty to maintain and ensure a continuous operation at any Department utilizing 12-hour shifts, a MAR List will be prepared.

62.8.2 A sufficient number of employees, by job classification and qualifications, will be determined by Hydro One. Employees will volunteer their willingness to be called in to work in this situation, by placing their name on the MAR List under the day(s) they wish to be called. If there are no volunteers, Hydro One

reserves the right to assign employees to the MAR List. Employees will not be placed on the MAR List who are scheduled to work on an adjoining shift.

- 62.8.3 An employee on the MAR List agrees to be available during the Required Availability Period (RAP), to report to work to cover short-term absence. The RAP is the period of time commencing two hours prior to each shift change and ending one hour after each shift change.
 - 62.8.4 If an employee whose name is on the MAR List cannot be available for the specified day(s), the employee must arrange for a substitute acceptable to Hydro One, whose name then would be added to the MAR List.
 - 62.8.5 Volunteering or being assigned to the MAR List for RAP periods does not entitle the person to any compensation, i.e., on-call pay, etc., nor does it guarantee that overtime will result.
 - 62.8.6 In the event that an employee is called to work from the MAR List, he/she will be entitled to overtime premium rates (outlined in Section 62.4) for all hours worked.
- 62.9 Twelve-hour shift work may be introduced when the following conditions are met:
- 62.9.1 If local management determines that a 12-hour shift work arrangement is appropriate, a vote will be held in the affected work unit(s).
 - 62.9.2 More than 50% of those eligible to vote in the work unit(s) must vote in favour of 12-hour shift work.
 - 62.9.3 The vote will be determined by a secret ballot scrutinized by the appointees of Hydro One and the Society.

APPENDIX I**Master Schedule Guidelines**

- 1.0 All work groups must follow the same schedule.
- 2.0 An excessive number of 12-hour shifts cannot be worked in sequence. Three would be the maximum for nights; four would be the maximum for days.
- 3.0 At least 48 hours off will immediately follow each sequence of shifts. At least two regular days off will be schedule in each week.
- 4.0 Time balances should cycle between +36, with an additional +4 hours as an exception.
- 5.0 Other specific rules in the Article should also be noted.

Note:

1. Supernumerary shifts will be worked between the hours of 08:00 and 16:00. These shifts will be spread evenly throughout the year except for July and August. Supernumerary shifts will only be scheduled in July and August if required for outage schedules.
2. For hours actually worked by an individual the following implementation rules apply:
 - 2.1 Maximum of 3 night shifts in a row, except for MAR list needs.
 - 2.2 A minimum of 48 hours off per pay period, except for MAR list needs

63 SHIFT TURNOVER

- 63.1 A shift turnover allowance will be paid to employees who have been authorized to perform shift turnovers, based on the criteria in Sections 63.2 and 63.3 and in compliance with the chart below.
- 63.2 Only one person will be paid for each shift turnover, either the incoming or the outgoing shift, but not both.
- 63.3 Rights to overtime are waived in favour of the above allowance when performing normal shift turnovers. The exception to this is in cases where the turnover is 30 minutes or longer due to unusual circumstances. In such cases all time beyond normal working hours will be compensated according to the overtime provisions of this Agreement in place of the allowance.

- Payment Per Shift Turnover -

Salary Grade	
MP6	\$16.40
MP5	15.30
MP4	14.40
MP3	13.50
MP2	12.65
TMS 05	12.60
TMS 04	11.80
TMS 03	11.10
TMS 02	10.40
TMS 01	9.70

PART XIII- WORKING CONDITIONS

64 REDEPLOYMENT, SURPLUS STAFF PROCEDURE AND CHANGE OF EMPLOYER

64.1 Scope

This Article applies to the redeployment or transfer of employees within Hydro One and from Hydro One to a new employer to whom a portion of Hydro One's business is transferred.

This Article will apply to all employees except temporary employees, and takes precedence over other provisions of this Collective Agreement with regard to vacancies and job placements unless otherwise specified. Article 33 describes the entitlements for temporary employees. Employees on leave (e.g. LTD) or on foreign assignments will be neither advantaged nor disadvantaged upon return from the leave.

64.1.1 Preference for Regular Employees

Surplus regular employees will be retained in preference to temporary employees under the following conditions:

- within the same Unit of Application;
- where the regular employees are qualified to perform the work and are able to perform the job within a reasonable period of time given the length of the assignment;
- where the work is normally performed by Society-represented employees.

Therefore, when there are both regular and temporary employees within the same Unit of Application and a surplus arises, the surplus regular employees will be retained over the temporary employees, if the conditions above are satisfied.

In situations where there are surplus regular employees, they will be used in preference to temporary employees, if a temporary requirement arises and if the above conditions are satisfied.

64.1.2 Grievability/Arbitrability

Employees may use the grievance/arbitration procedure to appeal decisions of the joint teams referred to in this Article if they believe they have been treated unfairly. JRPT decisions and processes are grievable. It is expected that the parties will support their decisions and recommendations. This is not intended to prevent the parties from jointly agreeing to change their decisions and recommendations. The recommendations and decisions by other Joint Redeployment Planning Teams and other Joint Reasonable Offer Teams are without prejudice and cannot be used as precedents in grievance arbitration. Any agreements reached by the parties within the scope of Article 64 are neither grievable nor arbitral.

64.2 Preamble and Principles of Operation

It is intended that the parties will make their best efforts to interpret, apply and administer the provisions of this Article to reflect a balance among the principles set out below and throughout this Article.

The parties are committed to sustaining a work climate that supports a high level of employee commitment, performance and job satisfaction. The following principles reflect our underlying values and beliefs and provide the direction on which this Article is founded:

- 64.2.1 Career change should be expected and viewed positively.
- 64.2.2 Individuals are responsible for their own career decisions and should be involved in developing options affecting their careers.
- 64.2.3 Hydro One and The Society recognize the value of retaining, utilizing and enhancing the asset of employee skills and abilities.
- 64.2.4 Redeployment issues will be discussed openly and employees and their representatives should be involved in these discussions as early as possible.
- 64.2.5 Employees will be provided with access to opportunities for learning and development and will take a proactive role in their development to prepare for the future.
- 64.2.6 It is in the best interests of both our customers and our employees for Hydro One to be a viable and healthy business entity.
- 64.2.7 Redeployment policies must reflect a balance between the fundamental interests of Hydro One and its employees.
- 64.2.8 Employees will be treated fairly and with respect and dignity.
- 64.2.9 Hydro One and The Society recognize that there will be competing individual interests and will structure redeployment strategies which will minimize the occurrence of that competition and its negative impact.
- 64.2.10 A commitment to short and long range planning is critical for the effective and efficient utilization and deployment of employee skills.

64.3 Definitions

- 64.3.1 "ADVERSE IMPACT" shall mean that, as a result of a Hydro One business decision, an employee does not have an ongoing position for which he/she is qualified or for whom the only available ongoing position for which he/she is qualified represents a demotion and for which he/she has not voluntarily applied.
- 64.3.2 "ALLOCATION" shall mean the lateral placement of an employee into an ongoing position where the exercise of employee choice is not required on the basis of the rules set out in Subsection 64.7 and there is no adverse impact.

- 64.3.3 "BASIC PAYMENT IN LIEU OF NOTICE" shall mean 24 weeks.
- 64.3.4 "CHANGE OF EMPLOYER" shall mean any sale, lease, transfer or any other transaction between Hydro One and any other entity, by virtue of which the ownership or control over any part of the company's business or assets becomes held by such other entity and some or all of the Company's employees become employees of a new employer as part of the commercial transaction.
- 64.3.5 "CONSENSUS" shall mean an agreement on a given issue that all parties to the agreement can live with and publicly support.
- 64.3.6 "DECLARED SURPLUS" shall mean that the employee has insufficient seniority and/or qualifications to be matched to an ongoing position that is deemed to be a reasonable offer in his/her unit of application.
- 64.3.7 "INCUMBENCY" is a concept that will be used as a part of a redeployment process. An employee may be identified as an incumbent only if the position meets the following criteria:
- the majority of the core functions/key accountabilities are the same⁵;
 - unchanged location;
 - unchanged hours of work;
 - unchanged salary grade or where the salary grade increases as a result of the prospective addition of duties/accountabilities pursuant to Clause 66.3.1.c.
- 64.3.8 "LATERAL POSITION" shall mean a job paid from:
- a) the same salary schedule and is the same salary grade as the employee's current grade;
 - or
 - b) a different salary schedule in which the salary level is equivalent to the employee's current job measured by salary grade Reference Points (100%).
- 64.3.9 "LATERAL PLACEMENT" shall mean the placement of an employee into an ongoing lateral position or into an ongoing position that is upgraded pursuant to Clause 66.3.1.c.
- 64.3.10 "MAPPING" shall mean the lateral placement of an employee into an ongoing position where the exercise of employee choice is required on the basis of the rules set out in 64.7 and there is no adverse impact.
- 64.3.11 "ONGOING POSITION" shall mean an assignment other than a relief of rotational assignment. An employee's ongoing position determines his/her base jurisdiction for the purposes of employment continuity and other entitlements (see Article 5).
- 64.3.12 "PRIORITY CONSIDERATION" shall mean an obligation to select the most suitable candidate from amongst the qualified surplus applicants for advertised vacancies for whom the vacancy represents a lateral or lower-rated position. If there are no qualified surplus applicants Management is then obliged to select

⁵ The operational meaning as determined by the JRPT in adverse impact situations.

the most suitable candidate from amongst those surplus applicants who can become qualified in a reasonable period of time. "Priority consideration" is provided to surplus employees.

- 64.3.13 "PROMOTION" shall mean a position in which the demands and responsibilities are greater than in the employee's current job and the position is a minimum of one salary grade higher than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade higher if rated on a different salary schedule.
- 64.3.14 "QUALIFIED" shall mean having the qualifications and experience required to perform the job within a reasonable period of time, normally not expected to exceed six months.
- 64.3.15 "REDEPLOYMENT" shall mean the staffing of new or changed organizations in accordance with the provisions of this Article.
- 64.3.16 "SENIORITY" shall mean all prior service with Ontario Hydro *and* Hydro One or other eligible seniority as per the transition provisions in Section 9.4 regardless of breaks in employment, employee category and/or bargaining unit/representational status. Regular employees who currently work reduced hours or have done so in the past, will have such service calculated as if it were full-time. In the event that a contractor is determined to be dependent, service shall be counted from the date of a declaration of dependent contractor application to the OLRB or the date of joint agreement between Hydro One and The Society regarding contractor status.
- 64.3.17 "SERVICE" for the purpose of calculating severance shall mean the employee's Established Commencement Date (ECD) and does not include any external experience credits. Employees who have received severance pay under this Article shall not be entitled to the service used to calculate previous severance pay in any future employment with Hydro One.
- 64.3.18 "SERVICE BASED PAYMENT IN LIEU OF NOTICE" shall be based on the surplus employee's Service Recognition Date (SRD) plus External Experience Value (EEV).
- 64.3.19 "SUBSIDIARY COMPANY" shall mean a Hydro One subsidiary or holding company.
- 64.3.20 "VACANCY TRANSITION PHASE" (VTP) shall mean a period not to exceed six weeks following the conclusion of a mix and match during which vacancies are unfrozen and surplus employees who elect to remain for this phase have the right to priority consideration for vacancies in accordance with Subsection 65.6.3.

64.4 Notification and Involvement of The Society

64.4.1 Principle of Prior Involvement

Prior to making final decisions on significant organizational or operational changes that have an adverse impact on the employment continuity of Society-represented employees, Hydro One will establish a team in a timely manner

which will include representatives appointed by The Society. The team will examine how the organizational or operational change will be implemented and will strive to develop mutually acceptable recommendations in a timely manner for the appropriate level of Management based on this examination.

64.4.2 Involvement

The Society will be involved in all decisions respecting how Society represented employees are treated with respect to this Article.

There are two levels of involvement in this Article. They are as follows:

a) Joint Consultation

Hydro One and The Society will discuss the issue and attempt to reach a jointly acceptable course of action.

Failing an agreement, Hydro One will make the final decision.

b) Joint Recommendation

Hydro One and The Society will attempt to reach consensus on an issue that will form the basis of a recommendation to senior management.

In the event a JRPT does not reach consensus on the appropriate Unit of Application, the default Unit of Application defined pursuant to Subsection 64.10.1 will be used. Other outstanding issues will be submitted by either party to a standing arbitrator.

64.5 Application

64.5.1 This Article applies to all situations where:

- There is a change of employer for employees; and/or
- The employment continuity of employees is adversely impacted; and/or
- Positions with incumbents are transferred within/between subsidiary companies, relocated or significantly changed (e.g., a change to job duties and/or skills/qualifications and/or rate as covered in the job document) but where no adverse impact results.

These impacts may arise due to organizational and operational changes that include technological changes, workload changes, business process re-engineering and other circumstances.

64.5.2 Where there is no adverse impact, the provisions of 64.7 shall apply.

64.5.3 Where there is adverse impact, the provisions of 64.8 to 64.15 inclusive shall apply.

64.5.4 Where there is a change of employer, the provisions of 64.6 shall apply.

- 64.5.5 Hydro One shall consult with the Society regarding the applicable redeployment process (i.e., whether to use the “adverse impact” or the “no adverse impact” track) prior to redeploying employees.
- 64.5.6 Exceptions to mandated “freezes” on filling vacancies in the “change of employer”(Subsection 64.6.6) and “mapping” (Clause 64.7.6.2) processes may be permitted where the parties mutually agree.

Change of Employer

64.6 Change of Employer

- 64.6.1 This Section shall apply where there is a change of employer for some or all employees.
- 64.6.2 Hydro One recognizes the importance of securing for employees opportunity for continuing employment with the new employer and will endeavour to secure such opportunity for employees with the new employer.
- 64.6.3 In addition to Article 11, at the earliest possible time prior to the transaction, Hydro One further agrees that it shall provide in writing to the Society all available information relating to the new employer that is relevant to employees to the extent that circumstances reasonably permit. The Society agrees that confidentiality will be maintained.
- 64.6.4 Until such time as staff positions and numbers to be transferred to the new employer are provided to the Society, employees may apply to vacancies in accordance with the Collective Agreement. All applications from employees (“affected employees”) in the affected businesses or assets for laterals and demotions will be processed and considered unless the move would seriously jeopardize the viability of the work unit.
- 64.6.5 Hydro One will provide the Society with a listing of the potentially affected employees, positions and numbers to be transferred to the new employer as soon as possible. This listing will specifically identify any employees who are from an acquired municipal electrical utility (MEU) and who have been provided with a period of employment protection under the Hydro One Acquisitions Letter of Understanding (LOU#7).
- 64.6.6 Commencing on the date that Hydro One provides the information described in Subsection 64.6.5, displacements into and selections into or out of the affected businesses or assets shall cease.
- 64.6.7 Where the number of affected employees exceeds the new employer’s needs or where there is adverse impact, the following shall apply:
 - 64.6.7.1 Article 64.8 shall apply to affected employees.
 - 64.6.7.2 Where there continues to be adverse impact, affected employees will be placed through an expedited mix and match process in accordance with Sections 64.9 to 64.10.3. Where there is no

adverse impact, the provisions of Subsection 64.6.8 shall apply. Affected employees who are placed in positions with the new employer through the mix and match process will transfer to the new employer.

- 64.6.7 Affected employees who are not placed pursuant to Clause 64.6.7.2 will be redeployed in Hydro One in accordance with the applicable provisions of this Article (i.e., either the “no adverse impact” or the “adverse impact” tracks).
- 64.6.8 Where the number of affected employees does not exceed the needs of the new employer or where there is no adverse impact for these employees, affected employees will be redeployed into positions with the new employer in accordance with Section 64.7.
- 64.6.9 Except for employees who terminate pursuant to Section 64.8, employees who refuse to accept a placement with the new employer in accordance with the applicable process (i.e., Subsection 64.7.5 for employees who are allocated, Clause 64.7.6.9 for employees who are mapped, and Sub-clause 64.10.3.v.9 for employees who are mixed and matched by a JRPT) shall be deemed to have voluntarily terminated Hydro One without severance.
- 64.6.10 Where as a result of the transfer of employees to a new employer an adverse impact arises for employees remaining at Hydro One, the latter shall be redeployed in accordance with the “adverse impact” provisions of this Article.
- 64.6.11 The Society agrees that no grievances under the Ontario Labour Relations Act or any other applicable legislation will be undertaken as a result of the implementation of this Section other than to enforce its terms.

No Adverse Impact

64.7 Allocation/Mapping

- 64.7.1 Where Hydro One redeploys employees and there is no adverse impact, employees shall be either allocated or mapped in accordance with the rules set out in this Subsection.
- 64.7.2 Hydro One shall consult with the Society prior to determining whether employees shall be allocated or mapped. Process decisions shall be communicated to the affected employees as soon as possible.
- 64.7.3 Employees shall be allocated where a whole work group/single classification is being transferred to a different organization and/or location and none of the conditions listed in Subsection 64.7.4 apply.
- 64.7.4 The conditions under which employees shall be mapped include any one of the following:

- A work unit or function is split within or between subsidiary companies; and/or
- Relocations are required involving positions with the same classification with more than one regular work headquarters; and/or
- Where there are a different number of incumbents than positions for which incumbency rights can be exercised; and/or
- Multiple qualified candidates for a lateral placement.

64.7.5 Where employees are to be allocated, the following rules shall apply:

- All employees shall be allocated;
- Employees shall “follow their work”;
- The placement of employees shall be reasonable within the meaning of Subsection 64.11.3. Employees who refuse to accept their placement offer shall be deemed to have voluntarily terminated employment with Hydro One without severance.

64.7.6 Where employees are to be mapped, the following rules shall apply:

- 64.7.6.1 The redeployment of employees shall take no longer than four (4) weeks from the date when Hydro One finalizes its organization.
- 64.7.6.2 During the mapping period all vacancies within the affected Division shall be frozen except pursuant to Clauses 64.7.6.6 or 64.7.6.10. Division shall mean the Divisional Default Unit of Application as defined pursuant to Subsection 64.10.1.
- 64.7.6.3 All employees shall be mapped.
- 64.7.6.4 Wherever possible, employees shall “follow their work”.
- 64.7.6.5 Employees may be promoted in the mapping process pursuant to Clause 66.3.1.c or where there are essentially no lateral placement opportunities or where the employee has been previously demoted through the application of Article 64 and no displacement of another employee will result.
- 64.7.6.6 Positions that do not have an incumbent or for which there are no qualified candidates for lateral placement within the affected organization will be filled through the advertised vacancy process pursuant to Section 65.6. The posting period shall be one week. Selections to these positions will be made before finalizing mapping decisions.
- 64.7.6.7 Under any of the conditions listed in Subsection 64.7.4 or otherwise where it is determined that employees shall be given the opportunity to express their preferences, subject to unit viability, “senior choice, junior force” shall apply. Employees shall have five (5) working days to submit their preferences.

- 64.7.6.8 If an employee is not an incumbent or following his/her work, he/she may request in writing a review of where he/she has been “draft mapped”. The Society and management will expeditiously jointly review this request and may make mapping amendments as necessary.
- 64.7.6.9 Placement offers shall be reasonable within the meaning of Subsection 64.11.3. Employees who refuse to accept a placement where he/she is the incumbent or where the assignment is reasonable may be deemed to have voluntarily terminated employment with Hydro One without severance.
- 64.7.6.10 Positions unfilled at the conclusion of the mapping process shall be advertised in accordance with Article 65.

Adverse Impact

64.8 Voluntary Surplus

In circumstances where Management is aware that job loss may occur, subject to work unit viability Hydro One will allow for voluntary termination by an employee in the affected work group. In such cases, employees who terminate their employment, will be entitled to 100% of their own basic and service-based payment in lieu of notice and severance entitlements, plus an additional week of severance for each completed year of service, to a maximum additional payment of 26 weeks' pay. The combined total of the employee severance entitlement, plus the additional week under this Section cannot exceed 78 weeks. The combined total of the payment in lieu of notice and severance entitlement cannot exceed 138 weeks. With the agreement of the Society, Hydro One may offer voluntary separation incentives such as focused pension incentives, retirement bridges etc.

Subject to any Canada Revenue Agency (CRA) rules and regulations, an employee may:

- Transfer a portion of any monies received into a RRSP; and/or
- Elect to receive his/her payment in one (1) lump sum or two (2) equal instalments over 2 consecutive calendar years. Where the employee elects two (2) instalments, Hydro One will make the 2nd payment within the first half of the 2nd year.

64.9 Set Up Joint Redeployment and Planning Team

Hydro One shall decide the organizational structure required to carry out approved work programs.

Hydro One and The Society will appoint an equal number of representatives to the Joint Redeployment and Planning Team (JRPT). This team will develop a redeployment plan which minimizes to the extent possible the effect on and number of employees to be declared surplus, consistent with the need to carry out Hydro One's work and will be responsible for overseeing its implementation. The team is also responsible for communications to affected staff. The Joint Redeployment and Planning Team will develop its recommendations/decisions by consensus using problem solving techniques.

Senior Management (e.g., Directors, General Managers) shall meet to discuss with the Joint Redeployment and Planning Team the number and type of positions that will no longer be required.

64.10 Joint Planning - Responsibilities of the JRPT

- a) The Joint Redeployment and Planning Team will prepare a report including decisions with respect to:
 - (i) The Unit of Application for identification of surplus staff;
 - (ii) The name of the standing arbitrator and outline of arbitration process;
 - (iii) The process and strategies used for redeploying staff within the Unit of Application;
 - (iv) The preparation of seniority lists and identification of surplus staff;
 - (v) Identification of separation incentives for the purpose of minimizing involuntary terminations.
 - (vi) The timetable of events, including specified deadlines, to ensure that the process is completed within the contractual timeframe.
- b) Respond to questions and grievances related to its process and decisions.
- c) Ensure that purchased services contracts are reviewed by Hydro One throughout the redeployment process.
- d) Appoint JROT members.

64.10.1 Unit of Application

64.10.1.1 Definitions

Unit of Application shall mean the organizational unit (e.g., Department, Division, Business Unit, Subsidiary or a cross Hydro One grouping) in which seniority and the identification of surplus staff shall be administered.

Business Unit shall mean the organizational unit under a subsidiary President/CEO.

Division shall mean an organizational unit under a direct report to a subsidiary President/CEO.

64.10.1.2 Size of the Unit of Application

In determining the size of the unit for purposes of identifying who is surplus, the parties will be governed by the following:

- The size of the unit will be sufficiently large to provide a fair means for identifying the surplus employee(s).
- The size of the unit will be sufficiently small to minimize the disruption to both the employee and the work to be done.

A joint recommendation will be made in determining the size of the unit of application.

64.10.1.3 Default Unit of Application

Should the parties not agree to the size of the unit of application for the identification of surplus, then the unit size will be the Business Unit with this exception:

Where fewer than 10% of Society-represented employees in a Business Unit, and fewer than 20% of The Society-represented employees in the Division are adversely affected, then the default Unit of Application will be the Division.

64.10.1.4 Unit of Application Beyond the Business Unit

A JRPT may jointly recommend to a Vice-President or General Manager (or equivalent) that the Unit of Application should be expanded beyond the Business Unit in a surplus situation. If the recommendation is approved, the recommendation will be jointly discussed with the Business Unit(s) into which expansion of the Unit of Application has been recommended. If no jointly agreeable solution is achieved at this stage, the recommendation may be brought by either party to the Society-Hydro One Issues Team ("Issues Team") for consideration and resolution. In appropriate circumstances (e.g., Corporate Functions, Multiple Business Unit JRPTs), matters may be directly referred to the Issues Team.

64.10.1.5 With respect to the Hydro One organization effective **July 1, 2007**, the default Units of Application shall be defined pursuant to the chart found at Appendix VII.

64.10.1.6 Where organizations have been split and adverse impact subsequently arises in any receiving unit with respect to the functions of these organizations, the default Unit of Application shall consist of the functions from the old organizational unit and new organizational units if applicable.

64.10.1.7 Employees covered by the FM&P Letter of Understanding dated July 2, 1996 will have a Unit of Application that consists of Hydro One.

64.10.1.8 All employees will normally be assigned to one and only one unit of application.

64.10.1.9 Where Hydro One establishes organizational units which do not clearly fit the definitions contained in the unit of application default provisions, the matter of the appropriate unit of application will be reviewed by the Issues Team. The Issues Team will make a decision which ensures that surplus rights are fairly applied.

64.10.1.10 In the event of a change during the term of the Agreement that cannot be resolved by the parties, the following dispute resolution will be used:

- a) The parties shall exchange written briefs within 10 working days of reaching impasse on the matter.
- b) A mutually agreed arbitrator shall decide the matter within 10 working days after the briefs have been exchanged. The arbitrator has all the powers under the applicable Labour Relations Act.
- c) The arbitrator shall hear the matter in the most expeditious manner possible, and shall only hear oral evidence where he or she determines that it cannot be determined on the basis of the written briefs and oral submissions.
- d) The arbitrator shall issue an award within 5 working days of the hearing, setting out the default unit of application.
- e) The JRPT shall continue to function and develop other elements of its report pending determination of the default unit of application through this process, and the outcome of this process does not preclude the JRPT from achieving consensus on a unit of application notwithstanding the arbitrator's award.
- f) This process does not prejudice or waive any grievance rights under this Article, but the arbitrator's award on the default unit of application cannot be grieved.

64.10.2 Process for Staff Changes - Mix and Match

The Joint Redeployment and Planning Team will develop the mix and match procedures to fill positions in the new organizational structure from employees within the Unit of Application. The intent is to sort employees within the Unit of Application among the jobs in the new organization on the basis of qualifications and seniority. In the event there are no qualified employees from the Unit of Application, the positions will be advertised in accordance with Article 65.

JRPTs are expected to keep accurate records of the reasons for deeming employees not qualified. Upon request, the employee will be provided with the written reasons for being deemed not qualified.

64.10.2.1 Mix and Match Rules

- 1) No promotions except as specified, i.e., only laterals or demotions are permitted in a mix and match process. (Note: Exceptions are described in 64.10.2.1 (11) and 64.10.4 and includes prospective reclassifications pursuant to Clause 66.3.1.c).
- 2) Applies within the affected Unit of Application except as specified at Rule 13.
- 3) The process must be open and participatory and involve individual employees in planning and an agreed-upon form of posting within the Unit of Application.

- 4) In the event there are more qualified candidates than positions available in the new organization, then the most senior of the qualified candidates will be selected to fill the positions.
- 5) If a job offer is found to be unreasonable by the Joint Reasonable Offer Team, then the JROT will re-examine the match. If no reasonable job is available, then the employee will be declared surplus with full entitlements.
- 6) Employees who accept a lower-rated position or who experience a reduction in hours of work as a direct result of Mix and Match will be entitled to the provisions of 64.12 "Compensation".
- 7) Pregnancy Leave and Paid Parental Leave
The employee should be treated as though he/she is at work.
- 8) Other Leaves/Absences
The employee will under normal circumstances participate in the Mix and Match process.
- 9) Out-of-Province Assignments
Refer to 6.4 "Employment Continuity during Temporary Out-of-Province Assignments".
- 10) Temporary Assignments/Rotations
Employees will exercise the redeployment rights applicable to their ongoing positions.
- 11) Employees Previously Demoted via Article 64
An employee previously demoted through the application of Article 64 is eligible for consideration at up to his/her previous higher level during a subsequent Mix and Match subject to the following:
 - The subsequent Mix and Match (i.e., upon approval of the first report) must occur within two years of the date that the employee reported to the lower-rated position.
 - Displacement of another employee at a level higher than their current level is not permitted.
- 12) Promotion-in-Place Programs (PIPs)
 - a) Employees in a PIP will be retained in their PIP (should it continue to exist) based on seniority, subject to item (d) below.

- b) Employees in non-PIP positions or in other PIPs will be considered for PIP positions subject to the following:
 - i) for lateral or lower-rated levels of the PIP only;
 - ii) must be minimally qualified at the entry level of the PIP;
 - iii) able to achieve the terminal level of the PIP;
 - iv) placement is based on seniority.
 - c) Employees in a PIP position will be considered for non-PIP positions for which they are qualified, subject to the following:
 - i) considered for lateral or lower-rated positions;
 - ii) placement is based on seniority.
 - d) Hydro One may determine a minimum number of employees qualified at the terminal level of the PIP at an appropriate work unit level (e.g., Division, Department, Section).
- 13) Any employee may be matched to a vacancy for which he/she is qualified outside of the Unit of Application based on other Mix and Match rules provided that no displacement of another employee results.

64.10.2.2 Available Options if Employee Refuses a Job Offer

An employee who rejects an offer that is upheld by the Joint Reasonable Offer Team (refer to 64.11.3) as reasonable must, within 48 hours of being advised of the decision, choose between options (a) or (b) as follows:

- a) Accept job offer; or
- b) Confirm refusal and terminate with 75% of lump sum payments pursuant to Clause 64.13.2.2.

Exception: Employees who have been demoted as a result of the direct application of Article 64 and who, in a subsequent mix and match, face a demotion again due to the direct application of Article 64 will be allowed to choose between accepting the demotion or being declared surplus with full entitlements. They will not be required to submit to the JROT process.

64.10.2.3 Refusal of an Incumbent Position

Where an employee has been declared to be an incumbent to a position by the JRPT, he/she will not be entitled to file a challenge

with the JROT in relation to the incumbent position. If the employee does not accept a match to his/her incumbent position, he/she may be deemed by Management to have voluntarily terminated his/her employment with Hydro One.

64.10.3 Sequence of Events

The following process shall apply in situations where an adverse impact arises:

- (i) Where the number of employees exceeds Hydro One's needs, Section 64.8 will apply.
- (ii) The filling of Society-represented vacancies pursuant to Subsection 65.6 shall be frozen across Hydro One during the mix and match period. These vacancies will be unfrozen when the mix and match is concluded and surplus employees (if any) are identified.
- (iii) The mix and match process will take no longer than 4 weeks. Prior to the beginning of the 4 week period, Management will provide the JRPT with the following information:
 - Details on the new organizational structure at a detail level that will indicate the classification, location, number of positions in the new organization;
 - A seniority list by pay grade and occupation code;
 - Identification in writing of the qualifications and selection criteria for positions without incumbents, for the affected work group.
- (iv) A standing arbitrator will be appointed at the beginning of each mix and match.
- (v) The mix and match process will involve the following steps with viability check after each step:
 1. Incumbent matching
 2. Matching to lateral vacancies in the same location (Volunteer/Force)
 3. Volunteering for location change and/or a demotion.

(Note: Steps 1, 2 and 3 require organizational charts only within the work group. Steps 1-3 only apply to the new/changed organization).

4. Matching to lateral vacancies in another location in Hydro One (Volunteer/Force).
5. Displacement on the basis of seniority and qualifications to the most junior lateral first in the Unit of Application
6. Matching to demotion vacancies descending within salary grades in Hydro One (Volunteer/Force)
7. Displacement on the basis of seniority and qualifications to the most junior demotion (descending within salary grades) in the Unit of Application.

(Note: Steps 4, 5, 6 & 7 do not require organizational charts).

8. If unable to be placed through any of above steps, the employee will be declared surplus.
9. Subject to subsections 64.11.3 and 64.10.2, employees who refuse a placement in the above process will be considered to have resigned from their employment.

64.10.4 Identification of Surplus Employees

The Joint Redeployment and Planning Team will compare the seniority of employees performing work that requires substantially the same qualifications and experience. In addition the team will compare the qualifications and experience of displaced employees with the qualifications and experience required by lateral or lower rated positions in the Unit of Application and retain the most senior at that level in descending order. Through this process the Joint Redeployment and Planning Team shall decide by consensus which employees within the Unit of Application have greater seniority and shall be retained to fill the ongoing positions and which employees have least seniority and shall be declared surplus subject to (a) and (b) below.

Seniority rights apply to lateral and lower rated positions but are not applicable to higher rated positions except for prospective reclassifications pursuant to Clause 66.3.1.c. The exception to this can occur where there are essentially no lateral or demotional positions with respect to which an employee can exercise his/her Employment Continuity rights and where the JRPT believes there are reasonable opportunities for promotion. The JRPT will identify the individual employee(s) or categories of employees facing these circumstances and the positions or categories of positions that represent promotional opportunities.

Employees who are not supervisors shall not exercise their seniority and displace supervisory employees with respect to supervisory positions unless they have supervisory qualifications. Employees who are not First Line Managers (FLM) shall not exercise their seniority and displace FLM employees with respect to FLM positions unless they have FLM qualifications.

Employees ***in positions covered by Article 25 (“trainees”)*** will not normally have their seniority considered with employees from Salary Schedules 01 or 02. The Joint Redeployment and Planning Team may decide on exceptions when ***trainees*** have achieved at least Step **2** and have greater seniority than entry level employees on Salary Schedules 01 or 02 or where **Article 25** is being used as a salary bridge for employees selected to Salary Schedules 01 or 02 positions.

For the purposes of Subsection 65.6.3 where the Joint Redeployment and Planning Team has agreed to make exceptions based on the above circumstances, such ***trainees*** will have priority consideration in the same manner as other Salary Schedule 01 or 02 surplus employees. Where the Joint Redeployment and Planning Team does not accept that the circumstances warrant exceptions, surplus ***trainees*** will have priority consideration for MP2 and equivalent or lower rated vacancies following consideration of the surplus regular employees from within the bargaining unit and before the applications of all other employees.

Employees from outside of the bargaining unit shall not displace Society-represented employees.

In the event that the team is unable to reach consensus on the identification of surplus employees, Hydro One will determine who is declared surplus in accordance with the provisions of Subsection 64.10.4.

a) Viability of the Work Unit

If the ability of the organizational unit to adequately perform its functions is placed in jeopardy by the application of seniority, the Joint Redeployment and Planning Team may decide to protect sufficient lesser service employees to restore the viability of the organizational unit. If the team is unable to reach consensus, then Senior Management (e.g., Directors, General Managers) will decide. In situations where junior staff are protected by the implementation of this Subsection, and where the Unit of Application is smaller than a Business Unit, greater service employees who cannot be placed as a result of such protection shall have the right to have their seniority applied across the Business Unit.

b) Employment Equity

If employment equity programs will be seriously set back, the Joint Redeployment and Planning Team may by consensus agree to protect sufficient lesser service employees in order to prevent such a set back from happening and extend the same provisions as set out in (a) above. This provision is not intended to further or enhance employment equity initiatives. Where the team has not reached consensus on the need to protect lesser service employees because of employment equity concerns, then the normal rules for identifying surplus employees on the basis of seniority will apply as outlined above in Subsection 64.10.4.

64.10.5 Declared Surplus

Employees declared surplus will receive written notice. The written notice shall contain:

- The cause of the surplus.
- A reference to this Article.
- The expected expiration date of the “vacancy transition phase”.
- The right to Hydro One wide priority consideration for vacancies in accordance with Subsection 65.6.3 if the employee elects to remain for the “vacancy transition phase” or elects to receive his/her severance payment in weekly instalments to a maximum of one year.
- An election form that the employee is required to fill out and return within three (3) working days indicating whether or not he/she wishes to remain for the “vacancy transition phase” or to terminate immediately.

- The total monetary value of the payment in lieu of notice and severance entitlements.
- The anticipated date the employee will vacate his/her position.

64.10.5.1 Voluntary Surplus

An employee from the affected unit of application who would not otherwise be surplus may volunteer to be declared surplus, subject to the following:

- a) The withdrawal of surplus status will be offered in seniority order to those surplus employees who are qualified to perform the duties and responsibilities of the position of the employee who is volunteering.
- b) The surplus employee will not be considered for a promotion, but may be considered for a promotion-in-place position.
- c) This must result in the withdrawal of surplus status from the surplus employee.
- d) The employee who is volunteering to be surplus will assume the surplus entitlements of the surplus employee who has his/her surplus status removed. A JRPT may recommend that different entitlements be made available to employees volunteering to be surplus.
- e) The exchange of employees arising out of the application of these provisions is subject to the approval of Hydro One. The decision to approve (or disapprove) will be on the basis of further disruption to the work of the affected work unit.

64.10.5.2 Vacancy Transition Phase (VTP)

Employees who are declared surplus have the option of remaining on payroll for the "vacancy transition phase", which will last for a maximum of six (6) weeks. During the VTP, vacancies frozen at the beginning of the mix and match will be unfrozen and management must finalize the selections for these vacancies by the end of this period. The posting period will be one week. Surplus employees who remain during the VTP will have priority consideration for vacancies in accordance with Subsection 65.6.3. Subject to Section 64.14, surplus employees who remain during the VTP who have not accepted an offer of a position by the end of the VTP will be terminated. Surplus employees terminated at the end of the VTP will have their entitlements calculated as of the date of surplus declaration (e.g., the period on payroll during the VTP will be deducted from the severance and in lieu of notice payment on termination).

Employees who elect not to remain on payroll during the VTP will be terminated immediately and receive payment in accordance with Section 64.13.

64.11 Job Offers

64.11.1 Acceptance/Rejection of Job Offers

A surplus employee will have up to 7 calendar days to accept or refuse an offer of a position.

64.11.2 Assessment of Suitability

If there is more than one applicant for a vacancy within The Society's jurisdiction, the applicants will be considered in the priority set out in Subsection 65.6.3.

Within each category the most suitable candidate will be selected.

64.11.3 Reasonable Offer Challenge Process

A Joint Reasonable Offer Team (JROT) will be established for each Unit of Application established under this Article.

This team will resolve employees' appeals arising from offers made during the mix and match process.

The team will meet and make a decision within three (3) working days of receipt of the appeal. The decision will become part of the JRPT final report recommendation.

It will take into consideration items such as job level, geographical location, responsibilities, status, health, family, legal precedents, community standards and past practices.

The team will be made up of two employees representing Hydro One and two employees representing The Society. The members of the team must be different than those on the Joint Redeployment and Planning Team. The team's membership composition should avoid conflict of interest.

The surplus employee is responsible for presenting his/her own case.

64.12 Compensation

64.12.1 Salary Maintenance

64.12.1.1. The surplus employee's base rate of pay will be maintained, including economic increases and special allowances in the case of TMS staff (refer to Article 30), until placement or termination.

64.12.1.2 If an employee accepts a position at the same salary level, it will be at the same salary and performance level subject to later

performance reviews. Entitlement to special allowances for TMS staff will reflect the conditions of the new position.

- 64.12.1.3 If an employee accepts placement in a lower rated position his/her current base salary dollars will be frozen until the employee's current pay entitlement as determined from the salary grade and performance standing exceeds the frozen level. This salary treatment must be conveyed in writing when the offer is made.

Exception:

An employee who is within three years of eligibility for an undiscounted pension will be entitled to any negotiated economic increases for the period of time prior to qualifying for the undiscounted pension. In the event that the employee does not retire upon qualifying for an undiscounted pension, his/her base salary dollars will be frozen at that time. (This would include any economic increases occurring during the period of time prior to qualifying for an undiscounted pension.) At this point, the normal salary maintenance provisions will apply.

- 64.12.1.4 Premiums will be calculated on the basis of the performance standing assessed for the lateral or lower rated job.

64.12.2 Reduction in Hours of Work

(Applicable to Employees paid from Salary Schedules with base 35-hour workweek)

64.12.2.1 Principles

- Pay should reflect hours worked.
- Pay should reflect the job performed.

- 64.12.2.2 Where employees move to positions where the normal weekly hours are less than in their former positions, the following will apply:

- a) The Society and Hydro One will attempt to reach a local agreement on a transition which would allow the affected employees to work additional hours above the 35 hour base for an extended period of time with staged reductions.

- 64.12.2.3 Failing agreement in accordance with Clause 64.12.2.2, the following treatment will apply:

The employee's working hours and salary will be frozen for a six-month period at which point they will be reduced on a pro-rated basis by 2.5 hours. They will be further reduced by increments of 2.5 hours every six months thereafter until such time as the hours of work are the same as that of the new position.

64.13 Compensation on Surplus Termination

64.13.1 Payment in Lieu of Notice Entitlement Calculations

All full-time and reduced-hours employees who are declared surplus will have a payment in lieu of notice entitlement calculated as follows:

- no less than a 24 week basic payment in lieu of notice entitlement;
- plus
- service-based payment in lieu of notice entitlement equal to the sum of:
 - ◆ two (2) weeks per year of service for the first five years of service, and
 - ◆ one (1) week per year of service for service greater than five years, and
 - ◆ employees with relevant previous experience will receive additional service-based job search credits based upon their highest salary grade within one year of hiring in accordance with the following:

Salary Grade Hired Into	Credit
MP1/FMP11/TMS1-2/	2 weeks
MP2/FMP12/ /TMS3/	4 weeks
MP3/FMP13/ TMS4/	6 weeks
MP4/FMP14/ TMS5/	8 weeks
MP5/FMP15/OSS12/	10 weeks
MP6/FMP16/	12 weeks

- For reduced hours employees, the service-based payment in lieu of notice entitlement will be calculated as if all service had been worked full-time.

The total payment in lieu of notice entitlement will not exceed 60 weeks.

64.13.2 Severance, Lump-Sum Payments and Voluntary: Resignation

64.13.2.1 Severance

Severance pay for the purpose of this Article will be calculated, for employees with less than 20 years' service, at a rate of 2 weeks for each year of service at the date of surplus declaration. Employees with a minimum of 20 years of service shall receive severance pay of 3 weeks per year of service at the date of surplus declaration to a maximum of 78 weeks. It will be calculated at the weekly rate for base hours of work for the full-time position (refer to Section 71.2) to the nearest whole month (30 days). Credit will be given on a prorated basis for any service which exceeds a whole year to the nearest whole month (30 days). The relativity allowances paid to TMS staff will be treated as base salary in the calculation of severance for TMS staff.

Severance pay is paid only when employment has terminated.

Persons receiving severance pay will not be considered employees for the purpose of any benefit, service accumulation nor for any other purpose from the day of termination except for recall as per Section 64.15.

The maximum amount of severance is 78 weeks.

64.13.2.2 Lump Sum Payments and Voluntary Resignation

On termination, surplus employees will be entitled to their payment in lieu of notice and severance entitlements in the form of a lump sum payment in accordance with the following:

One hundred percent (100%) of their basic payment in lieu of notice entitlement, plus 100% of their service based payment in lieu of notice entitlement plus 100% of their severance pay entitlement, less any period on payroll during the vacancy transition phase if applicable.

64.13.2.3 Previous Severance and Lump Sum Payment

Surplus employees who have received a payment under a predecessor Article 64 or Agreement S3 will have their severance calculated on the basis of continuous service since the last time severance was paid.

64.13.2.4 Transitional Assistance

On termination, surplus employees shall also be eligible for the following:

- (i) Coverage under Hydro One's Health and Dental Plan for a period of nine (9) months from the date of termination of employment or until the commencement of alternate employment whichever occurs first;
- (ii) Reimbursement for tuition fees and other associated expenses up to a maximum of \$4,000.00 upon production of receipts from an approved educational program within 12 months of his/her termination;
- (iii) Reimbursement of outplacement services up to a maximum value of two weeks salary (e.g. Outplacement counselling, legal or financial counselling, external job search expenses), upon production of receipts.
- (iv) Recall and vacancy selection priority rights pursuant to 64.15.

64.13.3 Legal Notice of Termination of Employment

It is agreed that compensation for basic payment in lieu of notice and the service-based payment in lieu of notice is sufficient and full notice as per the requirements of the relevant legislation. This Article meets the requirements of the *Canada Labour Code* for federally regulated employees.

64.14 Termination of Employment

If a surplus employee who elects to remain on payroll during the Vacancy Transition Phase is not placed by the end of this Phase he/she will be terminated with severance pay entitlement as per Sub-clause 64.12.2.2.1 "Severance".

Surplus employees on rotation may continue employment with Hydro One beyond the Vacancy Transition Phase at the discretion of the receiving unit (i.e., the unit with the rotational assignment). Normally the extension will be for the duration of the rotational assignment, but a cancellation provision (minimum of 30 calendar days) may be included as one of the terms of the rotational assignment at the discretion of the receiving unit. For the period of employment following the expiration of the Vacancy Transition Phase, employees will be considered per Clause 65.6.3 (f) for selections to corporate vacancies. The period of employment extension shall not be used for the calculation of any entitlement (e.g., severance and payment in lieu of notice) under this Article. In all other respects, the affected employees will be treated as regular employees under the Collective Agreement.

Throughout this Article, wherever surplus employees eligible to retire terminate their employment voluntarily or involuntarily, such employees will be entitled to full retirement benefits in addition to full entitlements under this Article.

64.15 Recall Rights

Employees whose employment is about to terminate are entitled to the following:

- a) A terminating surplus employee will be eligible for either:
 - a weekly paid severance payment with entitlements to recall within Hydro One;
 - or
 - a lump sum severance payment with no right to recall.
- b) Terminated surplus employees with more than 3 years service will be eligible for recall rights for 12 months from the date of their termination. Employees on Schedule 04 or who have less than 3 years service will be eligible for recall rights for 24 months from the date of their termination.
- c) Former surplus employees with recall rights will be considered for vacancies in the bargaining unit as per Subsection 65.6.3, including their right to grieve non-selection (refer to Subsection 65.6.3).
- d) Weekly severance payments will cease in the event a terminated former surplus employee is rehired.

- e) Severance pay received prior to recall will be subtracted from any future severance pay entitlements under this Article.
- f) Persons on recall are not employees and shall not be entitled to any benefits provided to employees except recall rights as noted above.

64.16 Relocation and Housing Assistance

64.16.1 Hydro One will restructure the cost of relocation so it mitigates the disincentive in the redeployment of surplus staff.

64.16.2 A surplus employee in a community where Hydro One's presence influences the housing market may avail himself/herself of the House Evaluation and Guarantee Plan in accordance with the Hydro One policy.

65 VACANCIES (RELIEF, ROTATIONS AND SELECTIONS)

65.1 Intent

To provide open, fair access to career opportunities and enable Hydro One to optimize staffing requirements over time.

65.2 Definitions

"Relief/Rotations" assignments are short assignments where an individual is assigned duties outside their normal job duties.

"Relief" assignments will mean short term assignments (normally up to 3 months) where an individual is appointed to act temporarily in an ongoing position or which is expected to become an ongoing position. In some cases, the individual may not be required to perform all of the duties and responsibilities of the position.

"Rotations" will mean assignments normally greater than 3 months but not exceeding 2 years in duration in positions which are not expected to be ongoing.

65.3 Advance Planning

Prior to filling the work assignment, Management will meet with the local Society representative to discuss the nature of the requirement (e.g., relief, rotation) its expected duration, the selection process and whether there is an expectation that the work assignment will result in an on-going position.

65.4 Relief

65.4.1 Relief is used to cover (a) short-term absences for vacation, sickness, relief absences, etc., (b) short-term bridging periods for selection or rotation, and (c) short-term emergency situations.

65.4.2 The process for selecting the employee to fill the relief assignment should be easy and quick and provide a fair opportunity to employees in the work unit to perform relief.

65.4.3 If there is mutual agreement between the Society Unit Director and Management prior to the beginning of the relief assignment, the relief assignment and the incumbent(s) can run for a period of up to one year. In the absence of mutual agreement, the relief assignment is limited to 90 days.

65.4.4 Relief assignments will not be used continuously to avoid advertising either a rotation or an ongoing position.

65.4.5 Pay treatment while on relief will be in accordance with Article 66.

65.5 Rotations Within the Bargaining Unit

(This Article does not apply to rotations outside the unit.)

Rotations are used to accomplish work for situations that occur between short-term relief and on-going positions. At the completion of the rotation, the employee will return to his/her original position or a comparable position normally within the sending unit, except in the circumstances where the employee is surplus (see Article 64).

65.5.1 Principles

Job rotations serve many purposes such as:

- a) to provide development opportunities to employees consistent with their career objectives;
- b) to allow Management to meet temporary work programs and work load requirements;
- c) to manage work performance or to test skills and capabilities where it is believed that an employee's skills and capabilities may be better utilized in another position;
- d) to broaden the experience of employees so that they may better perform their regular jobs;
- e) to provide employees with the opportunity to develop new skills for career advancement or to enhance career options in the case of anticipated redeployment or technological change which could result in skill redundancy or obsolescence;
- f) to meet Hydro One's employment equity objectives;
- g) to provide Management with flexibility in resourcing regular positions as a result of employees being provided rotational opportunities and temporary relief assignments.

65.5.2 Rotations which are expected to last six (6) months or longer in duration will be posted unless there is agreement with the Society. The scope of the posting will be determined by the receiving unit and may be within the Department, Division/Business Unit or Hydro One-wide. Hydro One will post rotational opportunities on the Hydro One website.

Unless there is mutual agreement, the rotation will not continue beyond two years except where the position is formally identified as an ongoing training position.

A job rotation posting should include basic information such as the position name and location, salary level, a description of required duties, starting date and proposed duration of the rotation.

- 65.5.3 The optimal selection process is one in which the employee's interest in the job rotation opportunity, the sending unit's ability to release the employee and the receiving unit's interest in the employee coincide. Rotations will be voluntary.

The selection process should include the use of formal selection criteria and interviews will be the responsibility of the receiving unit.

- 65.5.4 Employees selected for rotation will be provided with a letter in advance of the rotation stating the nature, terms and conditions of the assignment, including rotation duration and details of the performance appraisal process. These terms and conditions should be mutually acceptable.

- 65.5.5 An employee, other than those who are surplus, who accepts a job rotation will be given a guarantee by the sending unit that he/she can return to his/her original position, if available, or to a comparable position normally with the sending unit.

- 65.5.6 Terms and working conditions while on a job rotation will comply with all applicable Articles in the Collective Agreement concerning pay treatment, overtime, performance pay plan and appraisal process, moving expenses, travel expenses and related Hydro One policies.

- 65.5.7 Employees should not be restricted from applying to advertised vacancies or from being subsequently released from the rotational assignment if selected where the employee is surplus or the vacancy represents a promotion.

- 65.5.8 Performance feedback is an essential ingredient in any rotational assignment and should be provided during and upon completion of the rotation. A rotation should not normally have a negative effect on an employee's performance pay standing.

65.6 Selections for Ongoing Positions (i.e., Assignments Other Than Relief or Rotations)

- 65.6.1 All vacancies for ongoing positions (i.e., assignments which do not fall into the category of relief or rotations) shall be advertised Hydro One-wide unless there is agreement with the Society Unit Director or the following conditions apply:

- a) during implementation of Article 64 (Redeployment, Surplus Staff Procedure and Change of Employer);
- b) laterals or demotions in the case of sickness; employees with disabilities or special needs; employees returning from rotations, LTD, leaves of absence, foreign assignments, secondments/assignments outside Hydro One;

- c) performance management that takes place following consultation with the Society;
- d) ongoing exceptions in specified organizational units where there has been joint agreement by the parties.
- e) “promotions” within a promotion-in-place plan or a proposal which has the joint agreement of the Issues Team in accordance with Subsection 32.3.1. Vacancies for positions in a promotion-in-place plan will be advertised in a manner which informs employees that the position is included in a promotion-in-place plan and that where the best candidate does not satisfy the qualifications or experience required for the end position the employee may be offered the position at a lower rate and be promoted in place.

Employees in categories (a) to (e) in subsection 65.6.3 will be considered at all levels of the PIP prior to those employees in categories (f) to (h) and subject to unit viability. Unit viability which would alter this consideration will be discussed in advance of advertising the PIP.

Exceptions to provide for the advertising of the position at a lower rate than the end position will be permitted by joint agreement between the Society Unit Director and the Business Unit Leader based upon a balanced consideration of:

- future work planning needs
- providing developmental opportunities for lower-rated staff outside of the promotion-in-place plan
- current work requirements
- unit viability and the need to have sufficient number of staff in the end positions.

In such cases, the vacancy notice will state that the position is part of a PIP Plan and surplus employees will be considered for placement at a lateral level.

- f) a regular position currently held by an employee where a job review has resulted in a change in salary schedule and/or salary grade.
- g) to fill vacancies with the same occupation code within six (6) months of the ongoing posting, in which case Management may select from the previous list of candidates, after checking that surplus employees have not become available for consideration since the vacancy was last advertised;
- h) to meet legislative requirements;
- i) pursuant to Section 25.5.

65.6.2 All applications which represent a promotion must be processed.

When an application to an advertised vacancy represents a lateral or demotion to a non-surplus employee, the following will apply:

- a) Applications from employees with less than one year's service in their current position will be processed and considered if the employee's supervisor agrees.
- b) Applications from employees with one to three years' service in their current position will be processed and considered if, in the opinion of the current supervisor and the hiring supervisor, the move on balance would be in the best interest of Hydro One and the employee.
- c) Applications from employees with over three years' service in their current position will normally be processed and considered unless the move would seriously jeopardize the viability of the work unit.

65.6.3 Selection Priority for Vacancies

If there is more than one applicant for a vacancy within the Society's jurisdiction, the applicants will be considered in the priority set out below:

- a) Surplus Society-represented applicants who have elected to remain on payroll for the "vacancy transition phase" for whom the vacancy represents a lateral or demotion including surplus trainees applying for MP2 or equivalent or lower rated positions on Schedules 01 and 02 who have progressed to at least Step 5 and who were mixed and matched with Schedule 01 and 02 employees;
- b) Surplus employees paid from Salary Schedules 04 who were not mixed and matched with Schedule 01 and 02 employees and who have greater seniority than Surplus Applicants on Salary Schedules 01 and 02 and have elected to remain on payroll for the "vacancy transition phase" will have priority consideration for MP2 and equivalent or lower rated vacancies before the applications from all other individuals other than those in (a) above.
- c) Surplus Management Compensation Plan (MCP) applicants from positions that are excluded from the Society for whom the vacancy represents a lateral or demotion who remain on payroll during the six week period following their surplus declaration.
- d) Surplus terminated persons with recall rights pursuant to Section 64.15.
- e) Rehabilitative employees pursuant to Section 47.5.
- f) All regular Society-represented and regular MCP applicants to the vacancy. This includes applicants from another Society bargaining unit with selection priority pursuant to the transition provisions in Article 9.
- g) Temporary employees and employees temporarily included in the Society's bargaining unit paying Society dues (See Section 5.2).

- h) Members of other bargaining units who are active employees of Hydro One.
- i) External to Hydro One.

Assessment of the suitability of a surplus employee for a lateral or lower level placement opportunity will include education, experience, personal contribution factors and potential for training to perform the job requirements within a reasonable period of time (e.g. up to six (6) months). A surplus employee who is placed and who requires additional training to perform the job requirements will be provided with assistance to obtain the necessary training and development to perform the new job requirements. Hydro One will restructure the cost of retraining so it mitigates the disincentive in the redeployment of surplus staff.

A determination that none of the applicants in category (a) is qualified or qualifiable within a reasonable period of time is required before considering the applicants from the next category. The same is true with respect to categories (b), (c), (d), (e), (f) and (g). "Qualifiable" means that the employee can perform the job requirements normally within 6 (six) months.

See subsection 65.6.1 for priority consideration of applicants to promotion in place plan vacancies.

Hydro One agrees to grant priority to Society represented employees who are surplus and to those who fall within subsection 65.6.3(e) who apply for positions excluded from all union jurisdictions and for whom the vacancy represents a lateral or demotion, after the consideration of surplus applicants who are excluded from all unions for whom the vacancy represents a lateral or demotion and prior to consideration of all other applicants.

Regular MCP applicants are granted the same priority consideration as regular Society-represented applicants at level (f) on condition that Society-represented applicants are granted the same priority consideration as MCP applicants for MCP vacancies except as otherwise provided for in this sub-section.

- 65.6.4 In determining who is the best qualified candidate for positions, in each category of subsection 65.6.3, the primary basis for the selection of employees is their assessed capability to perform the necessary work. The selection criteria would normally include but not be limited to the following:
- a) requirements including skill, knowledge, education, experience, transferable/generic skills such as analytical skills, communications skills, project management skills, consulting skills, self-management skills, accountability, responsibility, etc.;
 - b) the candidate's past track record and what she/he brings to the position;
 - c) the candidate's potential to develop competence for more senior positions;

- d) the need to meet legislative requirements;
- e) the need to balance the overall requirements of the work unit.

65.6.5 Employee selection measures which are used as aids in selection decisions shall be job related and be used in a manner that is fair and equitable to the individuals being assessed. Individuals will be entitled to prior knowledge of the selection criteria and be entitled to information with respect to their performance in the selection process upon request.

65.6.6 Some flexibility should be exercised in accepting late applications to advertised vacancies after the closing date in order to permit employees a fair opportunity to continue employment yet still allowing the Business Unit to resource expeditiously.

Where the closing date is FIRM, it must be stated clearly in the vacancy posting that late applications will not be considered.

- a) Surplus and non surplus employees are normally expected to have made application to a vacancy by the closing date.
- b) It is recognized that in some instances, there will be applications filed after the official closing date. In these cases, unless the closing date is FIRM, late applications must be filed with the advertising location NOT later than the date that the "short list" of applicants is finalized for formal consideration.
 - The term "Short List" refers to the first list of applicants who Management plans to interview for a vacancy.
- c) Employees who have applied for vacancies and are later declared surplus have until the "short list" date to notify the advertising location of the change in their status.

65.6.7 Applicants to advertised vacancies are to be advised of the status of the vacancy (and of their applications) within a reasonable period of time for each successive step they qualify for.

65.6.8 Hydro One shall provide copies of all offer letters, including for rotational assignments and new hires, to the Society Unit Director.

65.6.9 When outstanding vacancies remain unfilled for longer than six months, employees in the work unit concerned should be advised of the reason for not filling such vacancies.

65.6.10 All positions on salary schedules 01, 02, **and** 03 which are excluded under the Recognition Clause and first-level ESR vacancies including rotational opportunities expected to last longer than six months will be posted on appropriate bulletin boards (and through electronic means where possible).

65.6.11 Release of Employees Selected to a Vacancy

Intent:

- a) Hydro One will strive to facilitate the expeditious release of employees who are selected to a vacancy.

Normally, employees should be released within 90 days of the vacancy selection. In the event that a release date greater than 90 days appears likely, Management will discuss the reasons for the delay and a release date with the Society.

66 SALARY TREATMENT FOR PROMOTIONS, TEMPORARY ASSIGNMENTS, LATERAL TRANSFERS AND DEMOTIONS

66.1 Definitions

"Promotion": This occurs when an employee is appointed to a position in which the demands and responsibilities are greater than in the employee's current job and the position is a minimum of one salary grade higher than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade higher if rated on a different salary schedule.

"Higher-Rated" Job:

A job paid from:

- a) the same salary schedule and is a minimum of one salary grade higher than the employee's current job; or
- b) a different salary schedule in which the salary level is greater than in the employee's current job, measured by **Step 9** salary grade *rates*.

"Lateral Transfer":

This occurs when an employee is appointed to a job paid from:

- a) the same salary schedule and is the same salary grade as the employee's current job; or
- b) a different salary schedule in which the salary level is equivalent to the employee's current job, measured by **Step 9** salary grade *rates*.

"Demotion":

This occurs when an employee is appointed to a position in which the demands and responsibilities are less than in the employee's current job and the job is a minimum of one salary grade lower than the employee's current job if rated on the same salary schedule or the equivalent of one salary grade lower if rated on a different salary schedule.

66.2 Promotion

- 66.2.1 It is normally expected that an employee will receive a salary increase upon promotion to compensate for the greater demands and responsibilities of the new, or revised, job.
- 66.2.2 A promoted employee will be placed at the **step** which reflects a reasonable expectation of his/her performance in the new or revised job.
- 66.2.3 ***It is normally expected that employees who are “green-circled” as a result of the implementation of the new salary progression plan and whose “green-circled” rate is above Step 9 of the rate of the new job will receive a salary increase, to a maximum of 3%, upon promotion.***

66.3 Reclassification as a Result of a Job Re-evaluation

- 66.3.1 Reclassification may occur under several circumstances:
- a) when the salary grade for a job increases with no change in the employee's actual job duties/responsibilities;
 - b) when the employee has been and will continue to perform additional job duties/responsibilities;
 - c) when additional job duties/responsibilities are to be added to the job.

Reclassification as a result of (a) or (b) above will result in the employee being placed in the same **step** in the higher salary grade.

Reclassification as a result of (c) above will be considered as a promotion. However, at the next performance appraisal the employee will be eligible to be placed in the same **step** as before the reclassification.

In circumstances (a), (b) or (c), it is normally expected that employees who are “green-circled” as a result of the implementation of the new salary progression plan and whose “green-circled” rate is above Step 9 of the rate of the reclassified job will receive a salary increase, to a maximum of 3%, upon reclassification.

- 66.3.2 Short-term increases in the employee's actual job duties/responsibilities do not require reclassification but may be subject to the relief provisions of this collective agreement.
- 66.3.3 Retroactive payments, if any, that result from reclassification either because of a Management or employee-initiated job review will be limited to a maximum of one year prior to the date of the job review request. The employee must have performed the relevant duties and responsibilities which resulted in the reclassification during this period in order to qualify for retroactivity.
- 66.3.4 Retroactivity which results from a reclassification decision will be paid within 60 calendar days of the decisions (i.e., if no dispute, date of Management decision to implement; if dispute goes to grievance, date of Step 2 decision or date of arbitration award).

66.4 Relief Pay

An employee will receive a salary increase after five (5) consecutive days when temporarily relieving in a higher-rated position or after 10 cumulative working days. Where such increases occur, they will be paid retroactive to the first day of relief. The amount of increase should reflect the increase in job demands and responsibilities. ***Employees who are “green-circled” as a result of the implementation of the new salary progression plan and whose “green-circled” rate is above Step 9 of the rate of the relief position will receive a salary increase, upon meeting the conditions outlined above, to a maximum of 3%.***

66.5 Lateral Transfer

Normally, an employee who is appointed to a lateral position should receive no increase in current pay.

66.6 Demotions

For voluntary demotions, the employee will take the rate of the lower-rated position except as follows:

- ***Where employee involuntarily demoted pursuant to Article 64, “red-circling” (i.e. the freezing of the employee’s base salary dollars) will continue until employee’s new pay rate exceeds the frozen level, regardless of the number of appointments.***

67 PURCHASED SERVICES

(Suspended for term of the collective agreement except for the last bullet).

67.1 Approvals

67.4.1 Blanket annual PSA approval will be given for each organization headed by a direct report to the President at the beginning of each calendar year subject to the following conditions:

- Hydro One commits to use regular staff for most core work;
- External resources will be primarily used for work such as supplementing peaks, responding to new business opportunities, low value work, non-recurring work etc.;
- Hydro One commits to enhancing and maintaining skill level of staff;
- As soon as possible and in any event no later than early in the calendar year each direct report to the President will review and discuss the staffing strategy with the Society Hydro One Local Vice-President for the purpose of trying to reach a common understanding with respect to the strategy. If a common understanding cannot be reached, management will make the final decision;
- Each direct report to the President will provide to the Society at the end of the calendar year a list of contracts let during the year including total contract dollars;
- No employee will be laid off as a direct result of contracting out.

68 HOURS OF WORK

- 68.1 ***Salary schedule 01 applies to all employees with a 35 hour base work week and to all employees in jobs rated under the Plan A Job Evaluation Manual, with regularly scheduled hours between 35 and 40 hours per week paid on a prorated basis.***
- 68.2 ***Salary schedule 02 applies to all employees with a 37.5 base work week, with regularly scheduled hours between 37.5 and 40 hours per week paid on a prorated basis.***
- 68.3 ***Salary schedule 03 applies to all employees with a 40 hour base work week in jobs rated under the TMS Job Evaluation Manual or to which LOU #5 applies.***
- 68.4 Reduction of Hours of Work

Where Management reduces the standard hours of work for a position, the following will apply:

- a) The Society and Hydro One will attempt to reach a local agreement in advance of the change on a transition which would allow the affected employees to work additional hours above the 35 hour base for an extended period of time with staged reductions.
- b) Failing agreement in accordance with (a), the following treatment will apply:
 - i) Where an employee is within 3 years of eligibility for an undiscounted pension, the employee's normal hours of work will not be reduced for 3 years, or until such time the employee is eligible for an undiscounted pension if earlier, and the employee will continue to receive economic pay adjustments. If the employee does not retire upon qualifying for an undiscounted pension, then their hours of work and base rate will be immediately reduced to the hours and rate of the position.
 - ii) For other employees than those in category (i), the employee's working hours and salary will be frozen for a six month period at which point they will be reduced on a pro-rated basis by 2.5 hours. They will be further reduced by increments of 2.5 hours every six months thereafter until such time as the hours of work are the same as that of the new position.

- 68.5 Hydro One will comply with legislative requirements regarding hours of work.

69 REDUCED BASE HOURS (40 HOUR WORKERS)

The base hours of work for employees whose regularly scheduled hours of work are 40 hours is 39 hours per week.

These employees will continue to work 40 hours per week, banking one hour per week at straight time.

- a) The normal scheduled and paid hours of work will remain at 40 per week.
- b) Overtime rates will be paid for all hours in excess of normal scheduled hours.

- c) Banked time may be taken on such days as the employee and his/her supervisor mutually agree upon following reasonable advance notice on the part of the employee.
- d) Banked time may be taken off in a minimum of half day (i.e. four hour) increments.
- e) Banked time accumulated in a calendar year must be taken by April 30th of the following year.
- f) Where an employee is unable to reach mutual agreement with his/her supervisor to take his/her banked time entitlement (except when exhausting sick leave prior to LTD), unused banked time entitlement will be assigned on the last working day(s) prior to April 30th.
- g) Where an employee falls sick on his/her scheduled banked time off, that day will not be charged against his/her sick leave credits, but shall be treated as banked time off for pay purposes.
- h) Banked time will not accumulate for any period of unpaid leave exceeding 40 consecutive scheduled hours. Scheduled days off will not be considered as breaking the consecutive nature of scheduled hours. Banked time will accumulate during a paid leave of absence and parental leave.
- i) When an employee terminates or when an employee is appointed to a job where the normal hours of work are less than 40 hours per week, unused banked time will be paid off at straight time rates.

70 ALTERNATE HOURS OF WORK ARRANGEMENTS

70.1 Principles

- 70.1.1 That any alternative arrangements will positively affect our customers. That cost, quality, service and value are key to our success.
- 70.1.2 That work is best achieved when individuals manage their own time and accept the accountability and the responsibility for the results.
- 70.1.3 That processes for negotiating and establishing hours of work arrangements will be uniform across Hydro One, and accessible to all. The processes will be designed to ensure equitable treatment. However the results of applying the processes may differ from location to location and unit to unit.
- 70.1.4 That decisions should be made at the most appropriate level that is closest to the work being done.
- 70.1.5 That individual concerns will be factored into group proposals and wherever possible, participation in changed hours of work will be on a voluntary basis.

70.2 Application

The procedure described in this Article applies to all forms of alternate hours of work arrangements.

70.3 Definitions

"STANDARD HOURS OF WORK" are to be worked to provide coverage for the business hours. For people assigned to day work, **a start time window is established to allow a flexible start-time between 7:00 a.m. and 9:00 a.m. and standard hours will not** end after 6:00 pm. They are:

- for 35 hour/week staff - Monday through Friday, 7 hours per day and
- for 37.5 hour/week staff - Monday through Thursday, 8 hours/day and 5.5 hours on Friday and
- for 40 hour/week staff - 8 hours per day, Monday through Friday.

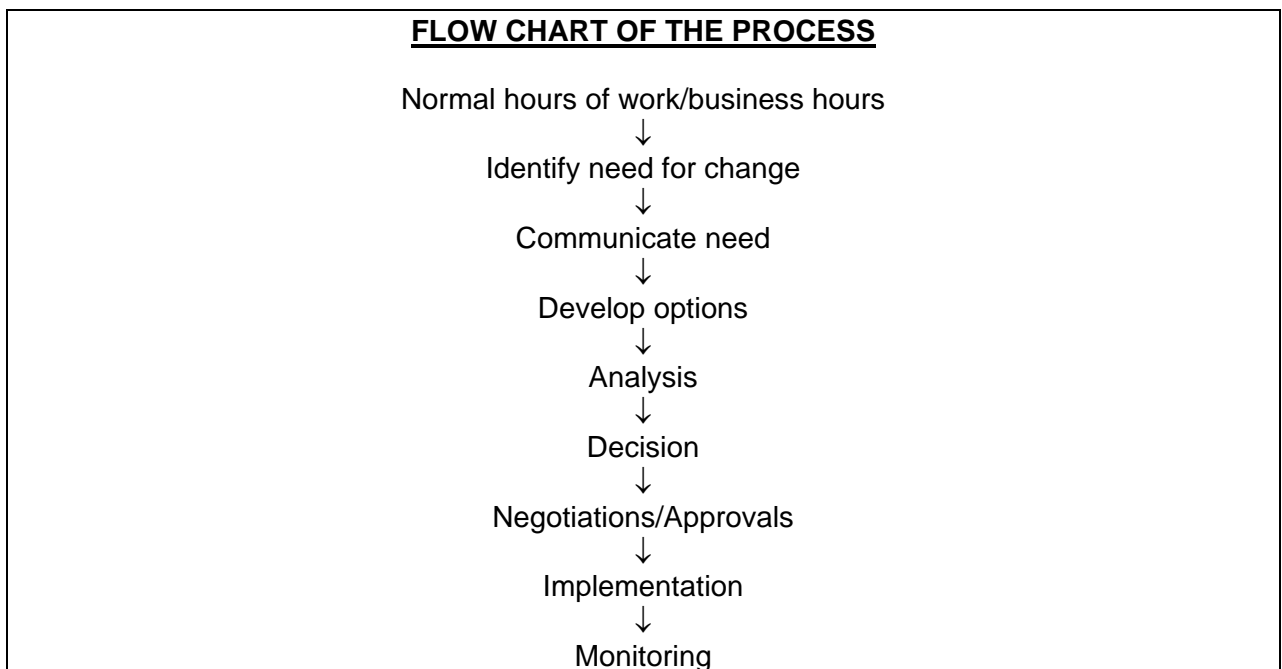
In the absence of any other agreed upon arrangements these are the hours which will be worked.

In situations where there is need for 24 hour and/or 7 day/week coverage the hours of work will be a matter of local arrangement.

"NORMAL HOURS OF WORK" are either the standard hours of work or another arrangement as agreed upon using this process.

"STANDARD BUSINESS HOURS" are determined by the needs of the business and the customers.

"NORMAL BUSINESS HOURS" are either the standard business hours or another arrangement as agreed upon using this process. The normal business hours are just a variation on the standard business hours. They would normally arise from a change in customer needs.



70.4 Overtime

Hours worked in excess of the normal hours of work will be considered to be overtime except where there has been agreement between the supervisor and the employee for the employee to work in excess of normal hours to make up time.

The pay treatment for Saturday and Sunday will form part of the Agreement which establishes the normal hours of work.

70.5 Process

70.5.1 Identify Need for Change

Identification of the desire for change can come from Management, an individual or a group. A request to change business hours would normally come from Management whereas a request to change working hours would normally come from an individual or group. Where a change to the hours of work for a group is being considered, the Society will be informed and involved in the discussions.

70.5.2 Communicate Need for Change

A request for a change should be communicated to the other party in order that deliberations can begin. Requests will be actively considered by the other party within a reasonable period of time. The process will be joint (Society and Management) and will use a collaborative approach in which the needs and interests of the parties are discussed in an open and honest manner and decisions are made by consensus.

70.5.3 Develop Options

A list of options will be jointly developed and agreed upon. As a minimum, the following criteria will be considered when analyzing the options:

- customer needs
- business needs
- maximum/minimum number of hours that can be worked daily
- overtime/premium provisions
- employee needs
- health and safety considerations
- legal and contractual considerations

70.5.4 Analysis

All options should be analyzed using appropriate tools and measures. The analysis should include a discussion of the options considered, their relative merits and the rationale for the recommendation.

70.5.5 Decision

All decisions will be reached by consensus. If consensus is not achieved then the existing "normal" hours remain in effect.

Consensus means everyone can live with and publicly support the outcome.

70.5.6 Negotiations/Approvals

Negotiations and/or approvals should occur at the appropriate level closest to the situation. The line Director will determine the appropriate level of Management approval and in all cases the Management approval must be outside of the bargaining unit. If necessary, mid term agreements will be established between Management and the Society to document normal hours of work or normal business hours.

All parties to negotiations under Article 70 should negotiate with the support of principals who will ultimately approve negotiated conditions.

70.5.7 Implementat ion

Implementation will be on a trial basis initially for an agreed upon length of time and with appropriate cancellation provisions. Criteria for success/failure must be established.

70.5.8 Monitor

The trial will be monitored and evaluated against the criteria. The accountable manager is responsible for monitoring the arrangement.

Following a successful trial period the hours (business hours of work) used in the trial period will become the new normal hours.

Monitoring of key indicators will continue to ensure that the arrangement remains viable.

In the event that the viability ceases to be realized, as determined by either party, the hours of work will revert to the previous "normal" hours unless the parties can jointly find another mutually acceptable alternative. When either party is making a determination about viability it must consider the previously established criteria for success/failure.

71 REDUCED HOURS OF WORK (RHOW) ARRANGEMENTS

71.1 Principles

71.1.1 Employees working RHOW are regular employees and have equal access to all Hydro One policies and agreements (e.g. employment continuity).

71.1.2 The RHOW arrangement must be mutually beneficial and acceptable to both the employee(s) and to Hydro One.

71.1.3 The benefit entitlement will be prorated, wherever possible and appropriate.

71.2 Definitions

A "REDUCED HOURS OF WORK (RHOW) AGREEMENT" is a formal arrangement which individual employees can enter into with Management to perform work over a

period of time by working less than the base hours for a full-time position. A RHOW agreement could apply to one individual or two or more in a job sharing arrangement.

"WORK UNIT" is an organizational grouping of employees and may be as small as a crew or as large as a Business Unit.

"BASE HOURS" are used to establish the rate for a full-time position; such as 35, 37.5, or 40 hours per week.

"NORMAL (SCHEDULED REDUCED) HOURS" are the agreed upon reduced hours of work, which are less than the base hours, and form the basis for prorating benefits.

71.3 Guidelines

In determining if a RHOW arrangement is acceptable, the following factors will be considered:

Productivity levels will be maintained or improved. There should be identification of how this change will potentially affect the productivity of the work unit (including assumptions and rationale used to assess the impact), and identification of the proposed method for follow-up and measurement of productivity impact(s) resulting from the change.

The need to maintain staff capability on an ongoing basis is to be taken into account. Identification of the staff capabilities required by the work unit to maintain effective operations, and how the reduced hours of work arrangement will accommodate or improve this capability should occur.

The appropriate level of service to both external customers and internal customers/clients should be provided. There should be identification of the customers/clients of the work unit and the service provided by the work unit to these customers/clients, and anticipation of the impact of the reduced hours of work arrangement on the service provided.

Effective workflow among work units will be maintained. Other work units impacted by the change, and the anticipated impact of the reduced hours of work arrangement on the workflow among the work units should be identified.

Requirements for supervision must be taken into account. Potential issues relating to supervision (e.g., span of hours), and how the work unit plans to deal with these issues should be determined.

The change to reduced hours should be agreeable to both Management and the employee(s) involved. A written Reduced Hours of Work Agreement must be signed to confirm that this matter has been agreed upon by the parties involved.

71.4 General Conditions - Reduced Hours Arrangements

71.4.1 Advertised Vacancies, Performance Pay, and Employment Continuity

Employees who are on Reduced Hours are regular employees and will be treated accordingly. Therefore, they will be: (a) eligible to apply and be considered for advertised vacancies; (b) given annual performance reviews; (c) where applicable, participate in the **step progression** process; and (d) have access to the *Article 64*.

71.4.2 Established Commencement Date (ECD)

ECD will be manually adjusted at the beginning of each year, to reflect the normal (scheduled reduced) hours worked in the previous year while on Reduced Hours, or at such intervals as may be necessary, to reflect the equivalent full years worked. ECD will not be adjusted for sick leave purposes.

71.4.3 Vacation Credit Date (VCD)

The VCD will not be adjusted. It will reflect calendar years. This date affects vacation bonus entitlement for all eligible staff and includes all Hydro service regardless of breaks. It may be different from the ECD.

71.4.4 Service Recognition Date (SRD)

For recognition of 5, 15, 25, and 40 years of service with Hydro One and consistent with the provisions of Section 9.4, the SRD will not be adjusted.

71.4.5 Wages

Reduced hours employees will be paid for normal (scheduled reduced) hours worked, based on the hourly rate for their base hours. Wages will be prorated based on the proportion of the normal (scheduled reduced) hours of work compared to the base hours of the work unit or the appropriate full time position.

Example: Base Hours = 35 per week.

Base Salary = \$700.00 per week.

Normal (Scheduled Reduced) Hours = 21 per week.

Normal (Scheduled Reduced) Hours Salary = $\$700.00 \times \frac{21}{35} = \420.00 per week

71.4.6 Pension Plan

71.4.6.1 Pension Plan Membership

New employees working reduced hours must apply for membership in the Pension Plan after completing 24 months of continuous service, subject to the following conditions:

- accumulated earnings, including overtime, must equal 35% of the Year's Maximum Pensionable Earnings (YMPE),
- and/or
- all accumulated hours, including overtime, must equal 700 (scheduled reduced) hours in each of the two previous calendar years.

71.4.6.2 Pension Plan Deductions

Once qualified as above, Pension Plan deductions for Regular Reduced Hours employees will be based on base earnings for the position and then

pro-rated in proportion to the ratio of normal (scheduled reduced) hours to base hours.

Example: Base rate (earnings)	\$45,000
Base hours	35
Normal hours	20
YMPE for year	\$32,000

Calculate 4% of the base earnings up to the first \$32,000 ($4/100 \times \$32,000 = \$1,280$)

Calculate 6% of the portion of base earnings exceeding the first \$32,000 ($\$45,000 - \$32,000 = \$12,800$) ($6/100 \times \$12,800 = \768)

Calculate proportional Pension Plan contributions ($\$1,280 + \$768 = \$2,048$) ($20/35 \times \$2,048 = \$1,170.29$).

Calendar service will be used to determine eligibility for retirement and death benefits (currently defined for pension purposes as Eligible Service or Continuous Employment).

Service credit to define the years of Pension Plan membership (years of membership in the Pension Plan) for pension calculation purposes (currently defined by the Effective Date on Pension and Insurance) is prorated. See pension calculation example below.

The Service Credit starts from the date of joining the Pension Plan.

Service for termination benefits, currently defined by the Pension Termination Service Date (PTSD), is to be credited on a calendar basis starting with the date of hire. Service related to the PTSD is not prorated.

71.4.6.3 Pension Calculation

The following is an example of how the pension of an employee in a Reduced Hours of Work arrangement would be calculated. Assume an employee has the following years of employment: 20 years full-time, followed by 5 years of 50% part-time, and then 10 years full-time.

For pension eligibility purposes the employee has 35 years' service, i.e. $20 + 5 + 10$ to calculate the amount of pension to be received the part-time years are pro-rated.

$20 + 5/2 + 10 = 32.5$ years pensionable service

$30 + 5/2 \times 2\% = 65\%$ pension.

If the reduced hours years were the last five years, i.e. 30 years full-time + 5 last years at 50% part-time, the part-time earnings would be annualized as follows, assuming the part-time earnings are \$25,000 or 50% of the yearly rate of \$50,000 for the last three years of employment.

The calculation is as follows:

$(30 + 5/2) \times 2\% = 65\%$ pension

annualized pension is $\$50,000 \times 65\% = \$32,500/\text{year}$.

71.4.7 Life Insurance

Probationary employees after 3 months service and all regular employees are covered under the Group Life Insurance Plan. Membership in the plan begins on the first day of the month following the date the employee completes 3 months of probationary service or is granted regular status. The basic insurance (2 times salary) plus any additional term insurance will be prorated in accordance with the prorating of wages above.

71.4.8 Health and Dental Benefits

Employees will have the option of receiving full benefit coverage for semi-private hospital, extended health benefits, and/or dental benefits, by using payroll deduction to reimburse Hydro One the cost consistent with the appropriate pro-ration. For example:

If an employee works 21 hours per week, he/she would be subsidized for 21/35 or 60% of the costs and he/she would pay the remaining 40%. If an employee chooses not to pay the remaining prorated percentage, there will be no coverage.

71.4.9 Sick Leave

Restoration of sick leave credits for days used will be in accordance with the Sick Leave Plan provisions.

Sick leave should accumulate at the regular times (January 1 or July 1). While ECD is adjusted for other purposes, sick leave accumulation and restoration dates should remain unchanged.

Annual sick leave credits will be prorated, based on normal hours worked.

Example

100% Entitlement Accumulation

- Employee works 21 hours per week $21/35 \times 8 \text{ days} = 4.8 \text{ days}$, rounded to 5 days.

75% Entitlement Accumulation

- Employee works 21 hours per week $21/35 \times 15 = 9 \text{ days}$.

Rounding should be to the nearest half day. Time Reporting for vacation, sickness, accident and overtime, etc. will be the same as for any other regular employee.

71.4.10 Long Term Disability (LTD)

Long term disability (LTD) coverage is only available to members of the pension plan. An employee will become a member when given regular status following his/her probationary period. Benefits will be based on the employee's normal (scheduled reduced) earnings, excluding overtime and allowances.

71.4.11 Accident Insurance

Employees are eligible for 100% benefit.

71.4.12 Statutory Holidays

Both the entitlement to statutory holidays and the payment for the statutory holidays will be prorated. The following table illustrates the entitlement:

Days Worked Per Week	Number of Days Entitled to per Year
1	2
2	4
3	8
4	8 (9 for Federally-Regulated Employees)
5	10

The pay on a statutory holiday will be equal to the pay for the average daily hours of the RHOW employee. For example:

An employee works 4 days per week @ 5 hrs per day. In accordance with the entitlement table above the employee is entitled to 8 statutory holidays per year. Payment for each statutory holiday will be for 5 hours since that is the average of the 4 days per week the employee works.

71.4.13 Floating Holidays

These will be prorated in the same manner as statutory holidays, i.e. both the entitlement and the payment on the days will be prorated. For example, an employee who works 3 days per week and 7 hours on each day worked will receive:

$$3/5 \times 3 \text{ days} = 1.8 \text{ rounded to nearest half day} = 2 \text{ days}$$

The payment for each day will be for at 7 hours since that is the average hours per day the employee works.

71.4.14 Vacation

- A. Less than 1 year - 4% of accumulated wages.
- B. For one year, or more:

Vacation entitlement will be based on calendar years (i.e. VCD). The entitlement in any given year will be prorated based on the average number of days worked per week and the actual payment for those days will be based on the average number of hours worked per day.

Example - (a)

A regular full-time employee who commences RHOW on January 1 and who otherwise would be entitled to 20 days' vacation, contracts to work 3 days per week at 7 hours per day (21 hours per week), for the full vacation year, while the remainder of the work unit works 35. The vacation entitlement will then be:

$20 \times 3/5 = 12$ scheduled days off.

The payment on each of the 12 days would be for 7 hours pay since that is the average number of hours the employee works per day. Therefore the total pay will be 12 days @ 7 hours pay = 84 hours pay.

Example (b)

An employee who works 5 days per week but works only 4 hours per day.

$20 \times 5/5 = 20$ scheduled days off

The payment for each day would be for 4 hours since that is the average number of hours the employee works per day. Therefore the total pay will be 20 days x 4 hours pay = 80 hours pay.

71.4.15 Overtime

The normal lieu time provisions will apply. Overtime will be paid at appropriate rates for:

- hours worked beyond the base full-time hours on a day (unless additional hours are part of the RHOW arrangement);
- hours worked beyond the base full-time hours in a week;
- hours worked on a Saturday, Sunday or statutory holiday that is not a normally scheduled day.

71.4.16 Pregnancy/Parental Leave

Employees will be eligible for pregnancy/parental benefits. Coverage will be based on normal (scheduled reduced) earnings and normal (scheduled reduced) hours.

71.4.17 Unemployment Insurance Contributions

This is based on gross earnings (which includes overtime premiums, shift differential, etc.).

71.4.18 Canada Pension Plan (CPP)

CPP contributions are based on gross earnings.

71.4.19 Workers' Compensation Benefits

Entitled to 90% of normal weekly net earnings, plus a supplementary grant (total is 100% of normal weekly net earnings).

71.5 Termination of the RHOW Agreement

The initial period of a RHOW arrangement will be considered to be a trial period. The length of the trial period is to be determined by the parties but will not normally be longer than 1 year. If problems are encountered during this period, the employee(s) and the supervisor will attempt to find a solution(s). In the event that these efforts are not successful the RHOW arrangement can be cancelled by either party with 30 days' notice.

After the trial period, situations may arise where the RHOW is no longer working or the workload has increased or decreased. In such situations alternate arrangements can be tried. These could include offering additional hours/days (if there is some) to the RHOW employee, or advertising another RHOW arrangement to make up any difference.

In situations where the workload increases, the employee working the reduced hours will have the first option of working the additional hours. The employee could choose not to work the additional hours. If satisfactory alternative arrangements are not found, Article 64 will be applied.

An employee who wishes to terminate the arrangement has the same rights to vacancies as full-time employees. If unsuccessful in obtaining another position or in negotiating a new arrangement with Management, and the employee terminates the arrangements, the employee will be considered to have resigned from Hydro One.

(SAMPLE) REDUCED HOURS OF WORK AGREEMENT

To: _____ Department: _____

Effective date: _____

Type of Arrangement: Individual Job Sharing Temporary Work

The following information is pertinent to your Reduced Hours of Work Agreement with Hydro One.

1. Hours of work:

_____ days (_____ hours) per week, _____ hours per day.

2. Salary:

Weekly salary will be \$ _____ per week based on scheduled reduced hours of _____ per week at Schedule _____ Grade _____.

3. Health and Dental Benefits:

Indicate, by circling the appropriate "yes" or "no", whether or not you are exercising the option of receiving full benefit coverage for semi-private hospital coverage, extended health benefits, and/or dental benefits, using payroll deductions to reimburse Hydro One for the cost consistent with the appropriate proration. Should you elect health and/or dental benefits, the monthly cost will be as follows:

Elected Coverage:

Semi-private hospital coverage _____ % \$ _____ Yes / No

Extended Health Benefits _____ % \$ _____ Yes / No

Dental Benefits _____ % \$ _____ Yes / No

4. All other terms and conditions will be in accordance with the Article on Reduced Hours of Work for Society Represented staff.

The trial period will be for _____ months. The parties agree that the agreement can be terminated with one month's notice during this trial period in the event the arrangement is unsuccessful.

If you agree with the conditions set out above, please sign one copy of this agreement for your Personnel File. Also, please indicate if you wish to be covered by any, or all, of the above health and dental benefits.

Manager: _____ Employee: _____

Date signed: _____ Date signed: _____

cc: Human Resources office Society Unit Director

71.6 Responsibilities

The Employee(s):

The employee(s) should discuss his/her interest in a Reduced Hours of Work agreement with the manager/supervisor. An employee who wishes to work Reduced Hours should prepare a proposal for doing so. The proposal should include a current job description and ways in which the job requirements could be met under a Reduced Hours of Work agreement. It should include suggestions for methods of communication among Regular staff members, their managers/supervisor, customers and clients with whom the job interfaces, as per the Guidelines (Section 71.3).

The Manager/Supervisor:

The Manager/Supervisor is responsible for determining if a Reduced Hours of Work agreement is appropriate and in certain instances may initiate action to implement such an arrangement. The Manager/Supervisor will discuss the possibility of a Reduced Hours of Work agreement with interested employees to assist them in establishing appropriate arrangements. The Manager/Supervisor will identify issues specific to the job which need to be addressed, inform employees of their entitlements and approve the proposed Reduced Hours of Work agreement after the appropriate review.

The Manager/Supervisor is responsible for ensuring that the productivity in the work unit does not deteriorate as the result of a Reduced Hours of Work agreement. If productivity is seen to decline, the supervisor should work with the incumbent(s) to identify ways to improve the situation.

72 PEAK DEMAND HOURS ARRANGEMENTS

72.1 Intent

The intent of this Article is to establish a framework of treatment of employees who by the nature of their jobs, are likely required to work more than their normal work week and/or hours different from their normal hours during peak work load periods of the year, and less than the total hours in a normal work week during other parts of the year.

The guidelines for the application of this Article are contained in Appendix V.

Once it has been decided to apply this Article within a business unit, Management will meet with the Society to determine how best to apply these guidelines in their particular situation. The parties are not required to rigidly adhere to the guidelines in Appendix V and may revise them as they deem appropriate.

Either party may refer unresolved items to "interest" arbitration for resolution.

72.2 Process

The parties will develop a design for the Peak Demand Hours Arrangement in local areas using Appendix V as a guideline, including an implementation plan for the arrangement. That plan could involve staffing the arrangement with volunteers on a test basis. The volunteers would have to volunteer for a full 12-month cycle. The fact that an individual

did not volunteer will not negatively reflect on his/her performance evaluation. The results of that test application could be reviewed by the parties. This review might result in revisions to the arrangement.

It is expected that ultimately the arrangement would become a local mid-term agreement.

73 WORK SHARING

- 73.1 "Work sharing" occurs when sufficient members of a work unit agree to work fewer hours for reduced compensation in order to accommodate a temporary reduction in work load and to help maintain employment continuity in the event of an adverse impact situation under Article 64 - Redeployment, Surplus Staff Procedure and Change of Employer.
- 73.2 Work sharing is a temporary arrangement. A work sharing arrangement will normally not exceed one year in duration but can be extended by mutual agreement. Beyond a period of one year, a work share arrangement will normally be governed by the terms and conditions of Article 71 - Reduced Hours of Work (RHOW) Arrangements.
- 73.3 The Society will be involved in the discussion and negotiation of the work sharing arrangement.
- 73.4 The size of the work unit involved in the work share will be the subject of joint agreement between Hydro One and the Society. The agreement of the employees participating in the work sharing arrangement must be obtained prior to implementation. A sufficient number of employees in the work unit must participate in order to make the work share a viable working arrangement.
- 73.5 Either party to a work sharing arrangement will have the right to terminate it with 30 days' written notice. Following termination of a work sharing arrangement, the previous hours of work arrangement will be reinstated. Reduction in the number of employees in a work sharing arrangement through attrition, promotion, etc. will result in a joint review in order to ascertain the continued viability of the work share.
- 73.6 Employees participating in a work sharing arrangement remain regular employees.
- 73.7 Reduction in hours of work pursuant to a work sharing arrangement will not exceed 20% of regular hours and will be matched by an equivalent reduction in salary for a maximum of one year.
- 73.8 Employees participating in a work sharing arrangement will retain full benefits coverage during the term of the work sharing arrangement up to a maximum period of one year.
- 73.9 Pension, life insurance and LTD coverage will continue to be calculated against regular base earnings during the term of a work sharing arrangement up to a maximum period of one year.
- 73.10 Employees will continue to participate in the **step progression** process while participating in a work sharing arrangement.
- 73.11 Employees will not be declared surplus while participating in a work sharing arrangement. This section will be suspended during the operation of Article 64 -- Employment Continuity.

74 ASSIGNMENT OF NON-BARGAINING UNIT WORK DURING A STRIKE/LOCKOUT

Normally, Hydro One shall not assign an employee to perform non-bargaining unit work unless this work is essential work. It is agreed that the following provisions govern the assignment of essential work, ordinarily performed by employees in another bargaining unit, to Society-represented employees in the event that the members of that bargaining unit are in a lawful strike/lockout situation.

- 74.1 If a job/function is not performed, it is considered “essential work” if it would result in:
- a) a dangerous or unsafe situation for employees or the public;
 - b) a threat to the environment;
 - c) damage to equipment, systems or property;
 - d) the violation of licenses, regulations or other statutory requirements as applicable in (a), (b) and (c) above;
 - e) activities going undone which are required to support employees who are performing essential work in accordance with (a), (b), (c) and (d) above;
 - f) such other condition or concern as may be reasonable in the circumstances.
- 74.2 The process for identifying and assigning work will be a joint process involving a Management representative(s) designated by the Business Unit and the Society Unit Director/designate(s) of the Business Unit. As a part of this process, an employee will advise the Management Representative(s) and the Society Unit Director/ designate(s) in a timely manner as to whether he/she will accept the tentative work assignment. Due consideration will be given to family or extenuating personal circumstances raised by an individual employee prior to assigning essential work.
- 74.3 Requests to employees to accept essential work assignments will contain as much information about the assignment as possible, such as work location and training schedules. It is expected that Management will request work assignments as close to employees’ home locations as possible.
- 74.4 In the event that the Society claims that an activity is not “essential”, it may make a claim before George Adams as facilitator/arbitrator, who shall make a ruling on an expedited basis.
- 74.5 Hydro One may assign work involuntarily to Society-represented staff if no MF/ESR or qualified Society volunteers are available. There is no obligation to assign MF/ESR before seeking a Society volunteer.
- 74.6 Any proposed shift schedules which may be worked by Society-represented employees during assignment to non-bargaining unit work shall be reviewed by the appropriate Society Unit Director/designate prior to the official issuance of the shift schedule.
- 74.7 Employees assigned to essential work will have the appropriate skills and training to perform the duties.
- 74.8 The terms and conditions of compensation for performing essential work are as follows:

74.8.1 General

- 74.8.1.1 All policies and practices and terms of the collective agreement which normally apply to Society-represented staff will continue to apply during a strike/lock-out unless modified, replaced or set aside in accordance with this Agreement.
- 74.8.1.2 All employees, including employees not assigned to work of another bargaining unit, will continue to receive their normal pay rate, including performance standing, for their regular job.
- 74.8.1.3 For those employees who normally work shifts, all existing shift schedule arrangements, including time-balanced schedules, will be suspended from the date the work stoppage commences until the work stoppage ends. Compensation treatment will be equitable for all employees assigned to essential duties during the work stoppage.
- 74.8.1.4 All employees assigned to essential duties will be compensated based on a 35-hour work week. As a minimum, employees will continue to receive pay equivalent to their normal base earnings. For employees whose rate is normally based on a 37.5 hour or 40 hour week, a premium of 0.5 times the hourly rate will apply after 35 hours in a week until their normal hours of work (i.e., 37.5 or 40) is reached. Overtime beyond this will be compensated at the appropriate overtime rate.
- A positive time balance will be paid at the termination of the essential service assignment and a negative time balance will be written off.
- 74.8.1.5 For situations involving the crossing of picket lines, refer to Article 77 of the Collective Agreement (“Crossing Picket Lines of Other Unions”).

74.8.2 Compensation

74.8.2.1 Scheduled Work on Weekdays

- 74.8.2.1.1 Employees assigned to essential work will be compensated at straight time rates for the first seven (7) hours of work. The following seven (7) hours worked shall be compensated at time and one half subject to treatment for employees normally working 37.5 or 40 hours a week as outlined in Clause 74.7.1.4.
- 74.8.2.1.2 All hours worked in excess of fourteen (14) continuous hours shall be compensated at:
- a) double time; or
 - b) straight time plus an hour off for each hour worked in excess of fourteen (14) hours.

74.8.2.2 Scheduled Work on Saturdays, Sundays, and Statutory Holidays

74.8.2.2.1 All employees assigned to work shifts and scheduled to work on Saturdays and Sundays will receive straight time pay for the first seven hours worked as part of a normal scheduled work week.

74.8.2.2.2 All employees assigned to work shifts will receive straight time pay for the first seven hours worked on a statutory holiday as part of their normal scheduled work week. One hour off for each hour worked up to the statutory holiday credit (seven hours) will be given at a later date acceptable to the employee and Management.

74.8.2.2.3 The appropriate shift allowances as per Article 60 ("Shift Work [M&P, TMS]") and Article 61 ("Shift Work [FM&P]") will be paid to all employees required to work shifts.

74.8.2.3 Overtime Worked on Saturdays, Sundays and Statutory Holidays

74.8.2.3.1 Employees shall be compensated at time and one half for the first fourteen (14) hours worked on a Saturday.

74.8.2.3.2 Employees shall be compensated at double time for the first fourteen (14) hours worked on a Sunday.

74.8.2.3.3 Employees shall be compensated at double time for the first fourteen (14) hours worked on a statutory holiday. In addition, one hour off for each hour worked up to the statutory holiday credit (seven hours) will be given at a later date acceptable to the employee and Management.

74.8.2.3.4 All hours worked in excess of fourteen (14) hours on a Saturday, Sunday or statutory holiday will be compensated at:

- a) double time; or
- b) straight time plus an hour off for each hour worked in excess of fourteen (14) hours.

74.8.2.4 Time Off in Lieu

Employees may choose to be compensated in money, paid time off, or a combination of both for overtime worked while assigned to essential work. Scheduling of time off will be subject to agreement of the regular supervisor following the end of the work stoppage.

74.8.2.5 Travel Time

All travel time except time spent in travel when called out for any emergency overtime, will be compensated at straight time. Travel time for emergency overtime will be considered as overtime.

74.8.2.6 Expenses

74.8.2.6.1 Reimbursement will be made for appropriate out-of-pocket expenses incurred as a result of undertaking assignments during a strike situation. As such employees should not profit from reimbursement of expenses. Appropriate expenses include, but are not limited to, travel, meals, accommodation, cancellation of vacations, increased child care, and damage or loss of private property.

74.8.2.6.2 Expenses incurred during a temporary assignment will be submitted to the temporary supervisor for approval.

74.8.2.7 Essential Work Rating Scale

The Essential Work Rating Scale set out in Attachment A forms part of this Agreement and will be updated by the Joint Society-Management Committee, prior to application.

ATTACHMENT A

Essential Work Rating Scale

(A) WORKING CONDITIONS

Employees who are assigned to essential work will automatically receive credit for this factor. It is assumed the individual will be subjected to pressures, demands or unfavourable/hazardous working conditions which deviate significantly from the norms of the regular position. Employees/supervisors whose work responsibility will increase significantly as a result of a work stoppage may be assigned to special duties by their respective line management.

Payment per Day: \$30.00

(B) SHIFT ASSIGNMENT

Employees who are assigned to work a shift schedule will automatically receive credit for this factor for each day they work the shift schedule.

Payment per Day: \$30.00

(C) SPECIFIC ALLOWANCES

The following allowances are to compensate for situations where employees are required to perform essential work under specific working conditions.

An employee can receive compensation for only one of the following allowances.

24- Hour Availability

An employee who is required or elects to remain at a designated place, other than home (e.g., motel) in readiness to proceed immediately to the work location on a 24-hour basis.

Hours worked by an employee are included in this 24-hour period.

Payment per Day: \$46.00

OR

Remaining at Hydro One Facilities on 24-Hour Basis

An employee is required to remain/live at the work location for a 24-hour period.

Payment per Day: \$120.00

On-Call Service

An employee is permitted to remain at home following his/her scheduled work but is required to be available to work outside normal working hours.

(Reference: Article 57 - "On-Call Service")

Note: Employees who are required to live at the work location on a continuing 24-hour basis and will be paid for only those hours worked plus the applicable allowances.

75 TELEWORKING

75.1 Definition of Teleworking:

Telework refers to a Hydro One employee who:

- Is working out of an office in his or her home;
- Does not normally have another office at Hydro One;
- Is not working at home on an occasional or casual basis.

75.2 Collective Agreement Standards:

Where Hydro One determines that teleworking may be implemented, the following provisions will apply:

- a) The arrangement will be mutually agreed upon and will be documented prior to commencement of teleworking;
- b) The terms and conditions of the collective agreement will apply except where modified by agreement among Hydro One, the Society and the employee;
- c) Teleworkers will not be required to meet with customers or other Hydro One employees in their home;
- d) Teleworking arrangements will be voluntary, and are subject to cancellation as locally agreed;
- e) Teleworking will not change the employment status of the teleworker;
- f) Hydro One will provide appropriate health & safety advice and guidance to the teleworker;
- g) Hydro One will provide appropriate business and personal security advice to the teleworker;
- h) Hydro One shall provide all furnishings/equipment it deems necessary to meet job expectations;
- i) Hydro One will pay for additional insurance costs, if required;
- j) If the teleworking arrangement is terminated then the employee will be entitled to relocation assistance as provided in the collective agreement;
- k) It is agreed that the Society represents employees who fall within the Society recognition clause of the Collective Agreement and who are teleworking;
- l) Hydro One will provide in a timely manner the Society with the names, business phone number and business address of teleworkers.

75.3 Local Agreements

Local management, the employee and the Society will agree on these items as part of a local agreement:

- performance measures
- relevant terms and conditions (e.g. travel)
- training where appropriate
- sunset (with a minimum term)
- cancellation

76 DIRECT DEPOSIT

Employees will be paid weekly by means of electronic deposit. Bi-weekly pay will be implemented in accordance with LOU #9. Time exceptions (e.g. overtime) will continue to have a time lag. Such time lag will only be for the period required for the effective operation of the time reporting centres and pay processes.

77 CROSSING PICKET LINES OF OTHER UNIONS

- 77.1 Employees will be required to cross picket lines of other unions in order to perform work at their regular/temporary work headquarters.
- 77.2 During such picket action, some flexibility with respect to the normal scheduled hours of work on the part of both Management and the employee is particularly desirable.
- 77.3 Normally, an employee who is prevented from arriving at work for his/her normal starting time due to such picket action will have his/her salary maintained without the requirement to make up the hours missed, subject to the following guidelines:
- a) An employee is expected to make a reasonable attempt to arrive at work at their normal starting time.
 - b) If an employee who is late for work should have been able to cross the picket line without being late, the no work - no pay principle will apply.

78 THE PROVISION OF FRENCH LANGUAGE SERVICES

78.1 Designated Positions

Hydro One will designate positions that require French language capability, to the extent required by the Act. Hydro One shall determine the actual number of positions to be designated and which positions will be designated.

Changes to the designated positions require joint agreement between the local Contact Supervisor/Human Resources Manager and the Unit Director. Whenever a change is made to the designated positions list, the Contact Supervisor/Human Resources Manager will provide written notification of the addition to the Society office and Labour Relations, Hydro One Human Resources. Labour Relations, Hydro One Human Resources will issue an up-to-date version of the designated positions list annually to the Society. A position can only be removed or modified when it is vacant.

78.2 Job Security

The implementation and operation of this Article will not result in any declarations of surplus, lay-offs, displacements, forced geographic relocations or financial losses.

78.3 Training

Hydro One will not impose any mandatory training for the purpose of complying with the Act. Any person wishing to take optional external training to obtain French language capability will be provided 100% financial support, so long as the request is in accordance with Article 83 - Extramural Training. In locations where extramural training in French is not available, Hydro One will provide, at no cost to the employee(s),

self-paced learning packages in order to assist interested staff to become qualified in French.

78.4 Posting and Selection

French language capability is deemed to be a legitimate selection criterion, in addition to the normal selection criteria, for officially designated positions. The job documents for designated positions will not be amended to include French language proficiency as a duty and/or evaluation factor pending future discussions with the Society.

A notice of posting for a designated position will contain the following wording:

"This position requires the ability to communicate in French. This ability is deemed to be a qualification for the purposes of selection."

French language capability will only be used as a selection criterion when the number of qualified incumbents in a designated position falls below the number specified in this Article. Specific qualifications and requirements must be posted and reasons given for non-selection in writing.

In cases where a location has more than the required number of qualified incumbents in a designated position, the officially designated employee(s) shall be those who are senior and qualified.

78.5 Surplus Staff

When a surplus employee applies to a designated position she or he shall receive the selection priorities established in Article 65 to the extent that the organizational unit retains the capability to meet the requirements of the Act.

78.6 Allowance

Hydro One will pay an allowance of \$18.00 gross weekly. It is recognized that the allowance may be paid to all qualified employees in a designated position in a location, rather than just the employees who officially occupy the designated position. This allowance is the same regardless of the number of hours an employee works per week.

The allowance will be paid only while the incumbent is in a designated classification. The payment of this allowance will cease once the employee has been absent for two months. Transfer to an undesignated position, or removal of a position from the designated positions list, will cause immediate stoppage of the allowance.

An employee who relieves in a designated position must have the French language capability required by the position in order to receive the allowance.

79 SPECIAL CLOTHING

79.1 Employees are responsible for providing, at their own expense, suitable clothing for the performance of their regular duties. Subject to certain conditions, outlined below, special clothing may be obtained at the expense of Hydro One for issue to employees.

79.2 Hydro One will make bulk purchases of certain types of work clothing, for resale to employees, on the most favourable terms possible.

- 79.3 A limited number of rainproof coats and hats may be obtained and kept available at construction headquarters etc, for persons who normally work indoors, but who are occasionally required to work out of doors under adverse weather conditions.
- 79.4 Safety items that are designed exclusively for such safety purposes will be provided to employees required to perform certain types of work, at no cost to the employee.
- 79.5 All clothing issued by Hydro One will remain the property of Hydro One. Employees may be required to replace item(s) lost or destroyed as a result of their own carelessness.
- 79.6 Staff will be reimbursed for the cost of up to two pairs of protective footwear per year where such footwear is required by Hydro as follows:
- Safety boots/shoes - 50% of actual cost to a maximum of \$75/pair;
 - Electric Shock Resistant Footwear - 100% of actual cost to maximum of \$150.00/pair, subject to an annual maximum of \$250.00.
- 79.7 Requests for special items of clothing not specifically mentioned, but which might be reasonably supplied under the conditions set out above, will be considered, each case on its own merits. Such clothing must be kept available for any Hydro employee who may require it for Hydro One work.

80 PAYMENT FOR USE OF PERSONAL VEHICLE

- 80.1 Where an employee is authorized to use his/her personal vehicle for Hydro One related business/travel, the rate of reimbursement will be based on the Private Transportation Component of the Canadian CPI as reported by Statistics Canada. The rate of **\$0.50** per kilometre took effect on **October 1, 2007**.
- 80.2 Future increases of one cent/km will occur with each additional 10% increase in the Private Transportation Index - 1986 = 100. A decline in the Index below a previously surpassed trigger point for two or more consecutive months will result in a reduction by the appropriate amount of the rate paid.
- If the Hydro One business/travel involves the hauling of household trailers, an additional \$0.09/km will be paid. For the hauling of smaller trailers (Camper, Ski-doo, boat etc.), the amount will be \$0.03/km. The above rates will apply on a province-wide basis.
- 80.3 By virtue of receiving the above kilometre rates, the employee is responsible for any expenses incurred involving his/her vehicle while on Hydro One's business. This would include such items as insurance premiums, license fees, traffic/parking violations, maintenance costs, any repairs or replacement of parts, fuel, lubricants and the like. The employee is further responsible for informing his/her insurance company that the vehicle is being used for business purposes, and for paying any additional premium that the insurance company deems fit.
- 80.4 An employee driving his/her personal vehicle on Hydro One business must have a minimum of \$1,000,000.00 liability insurance.

81 BUSH FIRE FIGHTING AND VOLUNTEER FIRE BRIGADES

81.1 Employees who are conscripted by the Ministry of Natural Resources for bush fire fighting or employees who participate in local Fire Brigades may be granted time off work with pay subject to the following conditions:

81.1.1 Regular and Probationary Employees - Bush Fighting

Regular and probationary employees will have their normal base pay maintained.

81.1.2 Temporary Employees - Bush Fighting

Temporary employees will have their normal base pay maintained for a maximum of five working days or to the end of the intended employment period, whichever comes first. If the fire fighting period extends beyond five working days, the employee will be placed on an unpaid leave of absence until he/she returns to work, or to the end of the originally intended employment period.

81.1.3 Volunteer Fire Brigades

Employees who are registered volunteer fire fighters may be granted leave of absence with pay if called to service while at work.

82 EXTREME WINTER WEATHER CONDITIONS

In the event of extreme winter weather conditions, employees will normally receive pay for hours worked.

82.1 Make Up Time

Employees who, due to extreme winter weather conditions, arrive late, miss work or receive approval to leave early, may seek approval to make up lost time by working back the missed hours by:

- a) using a vacation day;
- b) using a floating holiday;
- c) using a lieu day (or banked time where applicable).

82.1.1 For employees who receive approval to work back the lost time, their pay will be maintained for the number of normal scheduled daily hours lost, provided there is work available to be performed.

82.1.2 Employees will work at straight time rate of pay while working back the lost hours.

82.1.3 Time lost due to extreme weather conditions will be worked back within the pay week period. Any lost time not worked back by the end of the pay period will be deducted from the employee's pay.

82.1.4 Senior Management at the location have the discretion to maintain some or all of an employee's normal base pay if they are satisfied that every reasonable effort was made to report to work on time.

82.2 Closure

Employees included in an authorized closure will have their pay maintained for the number of hours between closure and normal quitting time.

82.3 Stranded Employees

Employees who are confined at a regular work location which is an acceptable shelter, will have their normal base pay maintained for their normal scheduled hours of work.

82.3.1 Payment for time worked in excess of normal scheduled hours will be made only if approval was given in advance for such work.

82.3.2 Employees will be reimbursed for reasonable expenses for food and shelter, and will have normal base pay maintained when stranded away from their residence headquarters while on Hydro One business.

82.3.3 Employees working in a location where a minimum level of acceptable shelter does not exist shall be considered as still being at work until acceptable shelter can be reached.

83 EXTRAMURAL TRAINING

In order to enhance a regular employee's job performance now, or in the future, Hydro One may provide financial support for external training activities consistent with Hydro One Policy, subject to the following conditions:

- a) the employee is expected to obtain prior approval from his/her supervisor prior to registering in the training course;
- b) the external training should normally be completed outside normal working hours. Where this is not possible, time off with pay to attend external training programs will be at the discretion of the employee's supervisor. In no circumstances will the external training exceed six weeks if the employee is required to be absent from work.
- c) 100% of reasonable costs paid by the employee for external training courses will be reimbursed where:
 - the training course will create or maintain the employee's capability related to current job performance;
 - the training course develops an employee's capability for a position identified in a succession, retraining, or redeployment plan.
- d) 75% of registration/tuition fees and learning material costs will be paid for external training courses which improve an employee's capability for future jobs within Hydro One.
- e) An employee will be reimbursed for reasonable costs subject to:

1. Satisfactory course completion and a passing grade where applicable, except where the course is taken upon the request of Management.
2. Costs will not be reimbursed if the employee has given notice of resignation prior to completion of the course.
3. All approved costs will be reimbursed for courses which cannot be completed due to the employee being transferred to another location.

84 MEAL EXPENSES

Normally, employees are expected to provide their own meals. Where there is a requirement for a meal as a result of legitimate business functions, employees will be entitled to be reimbursed for reasonable out-of-pocket expenses.

85 VOLUNTARY SEVERANCE (NON-SURPLUS)

- 85.1 Employees who wish to discuss a voluntary severance arrangement with Hydro One will be advised by Hydro One to (a) seek independent legal counsel and (b) seek advice from the Society.
- 85.2 Hydro One will also notify the Society of any employee with whom it is discussing a voluntary severance arrangement and disclose the details of the discussions in advance of finalizing such a severance arrangement with the employee.

86 SECURITY CLEARANCES

- 86.1 ***The Society acknowledges and agrees that the Employer has the right to perform appropriate Personal Risk Assessments (PRA) on existing, regular employees when required for valid reasons. Where the Employer has reasonable cause to remove an employee from his/her position as a result of an employee's inability to pass a PRA, the employee will be transferred to an equivalent position for which a PRA is not required with no loss of salary.***

PART XIV - ADMINISTRATION

87 REPRESENTATION ON HYDRO ONE COMMITTEES

The parties recognize the roles and responsibilities of appointees to committees and task forces, i.e., as a representative of Management on the one hand, and the Society, on the other. When an employee represented by the Society is appointed by Management, his/her responsibility is to Management. When he/she is appointed by the Society, his/her responsibility is to the Society. This role distinction should be made clear at the time of appointment. Notwithstanding the above, and in keeping with Subsection 2.4 (Supervisory Employees - Code of Ethics), Management will endeavour to appoint its representatives having regard to the Society's interests in effective representation.

88 GUIDELINES FOR SOCIETY REPRESENTATIVES ON CONTINUOUS QUALITY IMPROVEMENT

In a spirit of mutual trust and co-operation, these guidelines have been jointly developed by the Society and Management to assist the parties when there is involvement by Society-represented employees in continuous quality improvement (CQI) processes.

- 88.1 Society-represented employees have a legitimate role to play in the development and operation of continuous quality improvement teams at Hydro One.
- 88.2 When employees representing the Society are to be included on a CQI team, they will be officially appointed by the appropriate Unit Director or the Society Executive following discussions with the appropriate line managers. The Society will normally be provided with a task description or problem identification, including an estimate of the time required, as well as with selection criteria to assist in the selection of appropriate nominees for the activities at hand. The Society retains the right to make the final appointment.
- 88.3 Employees representing the Society on CQI teams will be given the opportunity to be involved in all aspects of the team activity; i.e., joint communications, joint training and education, etc.
- 88.4 Only conclusions that have been reached by consensus will be included in the final recommendations of the team.
- 88.5 The Society and appropriate Management staff should be kept informed regarding implications for any agreements between Hydro One and the Society as the CQI team progresses. Recommendations which impact on agreements will only be implemented when approved by the parties.
- 88.6 If innovative practices resulting from CQI team recommendations are tested/piloted, it is without setting precedent.
- 88.7 The Society and the local Human Resources office will be advised in advance of a quality improvement team implementing any innovative work practices, compensation schemes, etc. that challenge agreements between Hydro One and the Society. Sufficient time will be allotted for feedback before any such ideas are implemented.

- 88.8 Performance appraisals should support CQI processes. Toward that end, participation by Society-represented employees in CQI activities should be considered in a positive light when conducting performance appraisals providing their contribution to the CQI team has been useful.
- 88.9 Society-represented staff will be reimbursed for reasonable costs related to participation in CQI initiatives by Hydro One.
- 88.10 As a last resort, any issues relating to quality improvement that cannot be resolved locally should be referred to the Issues Team for further discussion.

89 TRIPARTITE AGREEMENT ON JOINT HEALTH AND SAFETY COMMITTEES

Hydro One and the Society agree to adhere to the Tripartite Agreement below:

TRIPARTITE AGREEMENT ON JOINT HEALTH AND SAFETY COMMITTEES

PRINCIPLES OF AGREEMENT between the employer, the Power Workers Union and The Society concerning the establishment or modification of Joint Health and Safety Committees to meet the requirements and intent of *The Occupational Health and Safety Act*, as amended by Bill 208.

89.1 Size and Composition of Joint Health and Safety Committees

That the size of JHSCs will be determined through discussions and agreement between the three parties.

That the PWU and The Society shall comprise a minimum of 75% of the JHSC membership with the relative percentage of PWU and Society JHSC members being determined by these two parties based on criteria including but not limited to representation by population and historical make-up. Neither union shall have less than 25% of the total number of Committee representatives nor more than 50%. Disputes regarding numbers shall be referred to the Executive level of the PWU and Society for resolution and if agreement is not reached, to an arbitrator mutually agreed upon by the parties for binding resolution.

That Management's Committee representatives will be from outside of PWU and Society jurisdiction.

That the status, rights and treatment of all representatives on the JHSCs will be equal.

That the meetings of the JHSC will be chaired on a rotating basis by the Co-Chair of each party represented on the committee.

89.2 Training and Certification

That all JHSC members will be trained and certified. Training and certification will be jointly determined and in accordance with legal requirements and the PWU and Society Authority to Stop Work Agreements, with the costs to be borne by the employer.

89.3 Policy Committee (Non-legislated)

That a corporate-level Health and Safety Policy Committee shall be established to participate in the formation and evaluation of health and safety strategy and policy, to resolve policy-level issues impacting on tripartite health and safety initiatives including the Work Protection Code and Corporate Safety Rules.

That the Policy Committee be comprised of an equal number of senior representatives from The Society, the PWU and Management.

That the parties will each select their respective committee members.

That the Policy Committee shall meet at least once per quarter.

That the employer shall provide the resources and training that the Policy Committee deems necessary with costs to be borne by the employer. Training development and delivery will be jointly determined.

That the Policy Committee shall receive a formal response to its input to policies/programming within 30 days.

89.4 Annual Experience Review

That each year, upon request by any one of the parties to this Agreement, an experience review be undertaken by the parties of the benefits and difficulties of implementation of the Agreement and the impacts of organizational changes.

89.5 Amendments to the Agreement

Amendments to the Agreement may be made at any time by the parties with mutual agreement in writing. If mutual agreement cannot be reached, the parties will refer to an arbitrator, mutually agreed upon by the parties, for binding resolution.

90 AUTHORITY TO STOP WORK

90.1 Definitions

"Where an Employee's health and safety is in immediate danger" (refer to 89.4.3), "immediate danger" shall mean, "conditions that pose an immediate threat to life or health, or conditions that pose an immediate threat of severe exposure to contaminants such as radioactive materials which are likely to have adverse or cumulative or delayed effects on health."

90.2 Intent

"Responsibilities and Accountability" are intended to reinforce the fact that this is a joint policy for which both parties are jointly responsible, i.e. we are in this together.

90.3 Introduction

Effectively involving employees and Employers in joint health and safety committee activities can enhance workplace health and safety. Under the Occupational Health and Safety Act, the use of Joint Health and Safety Committees (JHSC) is part of the

legislative process which has been labelled as the "Internal Responsibility System" (IRS). Within this participatory management concept, the JHSC's have been given specific rights and responsibilities under the Act such that, with their involvement, the right to know, the right to participate and the right to refuse unsafe work is further enhanced.

Hydro One and The Society of Energy Professionals ("the Society") agree that all unsafe work must be stopped. This Article on health and safety for the authority to stop work will further enhance the activities of the JHSC's and the IRS concept.

Changes to this Article can only be made by mutual agreement of the Joint Working Committee on Health and Safety. Where no agreement can be reached, the matter will be referred to the Issues Team for resolution.

90.4 Authority to Stop Work

90.4.1 Where a workplace is unsafe, a Certified Society and Management member of the local JHSC can jointly prevent the start of the work or stop the work.

90.4.2 Where there is a disagreement between the Certified Society or Certified Management member of the local JHSC that the workplace is unsafe, the issue shall be immediately presented to the local JHSC for review and resolution.

90.4.3 Where an employee's health or safety is in immediate danger, a Certified Society or Management member of the local JHSC can stop the work. After calling the work stoppage, the Certified Society or Management member must contact the respective counterpart immediately and seek to obtain joint agreement on the stoppage as soon as possible. If joint agreement cannot be reached, the issue shall be presented to the local JHSC for review and resolution.

90.4.4 In cases where the JHSC cannot resolve issues arising from 2 or 3 above, the Ministry of Labour Inspector shall be called in for resolution.

90.5 Training/Certification

90.5.1 The Society Joint Health and Safety Working Committee shall fully participate in the development of a specialized training program for all members of the Joint Health and Safety Committees.

90.5.2 The Society Joint Health and Safety Working Committee shall fully participate in the development, putting in place, and administration of testing and re-testing standards for all members of the JHSC's.

90.5.3 The Society Joint Health and Safety Working Committee shall fully participate in the establishment of a specific Training/Certification program for members of the JHSC's.

90.5.4 The Society Joint Health and Safety Working Committee shall fully participate in the development, implementation and administration of testing and re-testing standards for accrediting JHSC members into the Certification program. Such standards shall not be less than those established by the regulatory agencies or deemed to be equivalent to the intent of the regulatory standards.

90.6 Responsibility and Accountability

There shall be a shared responsibility and accountability by the Society and Management for the actions of their Certified members of the JHSC's.

90.7 Compensation and Discipline

It is understood that employees directly or indirectly affected by the application of this Agreement will not suffer any loss of wages or disciplinary action.

90.8 Decertification

Should a Certified member fail to act in good faith, the Society Joint Health and Safety Working Committee shall review the representative's action and make appropriate decisions.

Where there is disagreement regarding the action of the Certified member, the issue shall be taken to Issues Team for resolution.

90.9 Assessment

The Joint Working Committee on Health and Safety shall be responsible for assessing the effectiveness of this Agreement from time to time.

91 JOINT HEALTH AND SAFETY COMMITTEES

91.1 Hydro One will establish a Joint Policy Committee in which Society representatives are able to address the health and safety concerns of employees with Management of various levels depending on needs where jointly agreed.

91.2 All Society-represented employees are entitled to representation on joint health and safety committees and to associated training.

91.3 There are to be three levels of representation:

- Hydro One/Society level
- Corporate Health and Safety /Society working committee level (based on the attached Terms of Reference, agreed to on September 27, 1989 by the parties).
- Local workplace level health and safety committees

Terms of Reference - September 27, 1989
Joint Working Committee on Health and Safety

1.0 Goal

Provide recommendations to assist the Health and Safety Division in the development, implementation and evaluation of Hydro One employee health and safety policy and programs.

2.0 Personnel

Manager, Programming Department, Health and Safety Division and other Management staff as deemed necessary from time to time.

Chairperson of Society Health and Safety Committee and other Society members or a staff advisor to a maximum of five.

The Chair will rotate between the Manager of Programming Department and Chair of the Society Health and Safety Committee.

3.0 Function

Participate in the identification and resolution of problems and issues of Hydro One significance in employee health and safety policy and practice.

Participate in the development, promotion and implementation of Hydro One health and safety programs.

The Committee will meet quarterly or as mutually agreed.

Hydro One will pay the expenses related to jointly agreed projects undertaken by or on behalf of the Joint Working Committee on Health and Safety.

- 91.4 Hydro One agrees to consult with the Society regarding new health and safety policies and procedures and regarding changes to existing health and safety policies or procedures except where provided for by the legislation itself. The Society will be given a reasonable amount of time to comment prior to implementation.

92 PROBLEM SOLVING COMMITTEE

- 92.1 ***A Problem Solving Committee shall be established and constituted of the Hydro One Operations Committee and the Society VP and Unit Directors. The Problem Solving Committee shall meet quarterly.***

- 92.2 ***The Problem Solving Committee Oversight Committee shall consist of the President and CEO of Hydro One and the President of the Society and shall meet bi-annually. The Oversight Committee may request the assistance of Kevin Whitaker, or a mutually agreed alternative, as required.***

- 92.3 Negotiations between Hydro One and the Society shall take place through a body to which each party will appoint an equal number of representatives. Negotiations shall be conducted in good faith and both parties shall make every reasonable effort to reach agreement on matters of mutual interest as expeditiously as possible.

93 PUBLICATION OF COLLECTIVE AGREEMENT

All Society-represented staff should have personal access to a copy of the Collective Agreement. The preferred method is to provide access to this Agreement via an electronic basis. Where there is no electronic access the document could be distributed via disc.

Hydro One agrees to print sufficient copies for distribution to all elected Society representatives and to those employees without access to computer technology. The cost of printing the copies

that are required (to be determined by joint agreement) will be shared on the following basis: 75% (Hydro One); 25% (Society).

94 USE OF HYDRO ONE COMPUTER FACILITIES

- 94.1 The Society may make use of any of the services provided by information technology organizations to Hydro One line units.
- 94.2 The Society will be treated identically to Hydro One line with respect to service standards, procedures and support.
- 94.3 The price charged for the service will be the published rates of the Computer Centre plus the charge for administration, referred to as General Overhead which may change.
- 94.4 Information regarding these services, e.g., technical support, manuals, billing structure, training, etc, may be obtained from information technology organizations.
- 94.5 The Society will seek approval from the appropriate authorities prior to accessing or attempting to access any line units application programs or data. Any infringement of this condition by a Society member will be grounds for cancellation of this Article.
- 94.6 The services provided under this Article are to be used only for the purposes of assisting in the conduct of normal Society business and for provisions of service to its members.
- 94.7 Society data and programs may be protected from access by others by taking advantage of existing password mechanisms. It is the Society's responsibility to make arrangements to utilize such mechanisms.

95 NOTE TO PART XV - APPENDICES

Hydro One and the Society have not amended all the Appendices in Part XV to reflect the separate collective agreement status of Hydro One. In particular, the Appendices dealing with the Voluntary Recognition Agreement and subsequent amendments are historic documents and, therefore, references to "Ontario Hydro" have been maintained. It is agreed, however, that the commitments, terms and conditions in these Appendices shall apply to Hydro One in the same manner as they were applied to Ontario Hydro, to the extent that they are applicable to Hydro One.

PART XV - APPENDICES

Appendix I - Re: Utilization and Advancement of Professional Engineers and Scientists

Ontario Hydro and the Society agree the following principles will govern the utilization and advancement of professional engineers and scientists in Ontario Hydro.

- 1.0 The terms "professional engineers" and "scientists" shall include the employees' categories identified in Attachment A.
- 2.0 The MP2/FMP12 level of work shall normally be considered as a developmental stage for professional engineers and scientists performing engineering or scientific work.
- 3.0 The MP4/FMP14 level of work shall be considered as the "normal expectancy" level for fully qualified and competent engineers, or scientists in Ontario Hydro. MP3/FMP13 may continue to be a "journeyperson" level for engineers and scientists in some areas of activity.
- 4.0 Every effort should be made to provide professional engineers and scientists with an opportunity for advancement to MP4/FMP14, when they are capable of performing work at this level and such work is available.
- 5.0 Where an individual has demonstrated the willingness and capability to advance, and where advancement is impeded by lack of opportunity in the work area, every effort should be made to assist the individual in career advancement. This could include specific action steps such as training, job transfers, and rotations which will provide greater promotional opportunity.
- 6.0 Greater emphasis is required on the screening of professional staff at an early stage in their careers for both their potential capability to perform work at the MP4/FMP14 level and their suitability for further employment in Ontario Hydro.

(signed by W.G. Morison for Management and F.R. Greenholtz for the Society, February 27, 1984)

ATTACHMENT A

UTILIZATION AND ADVANCEMENT OF PROFESSIONAL ENGINEERS AND SCIENTISTS

Professional Engineers

Incumbents of jobs with 600000 or 860000 occupation codes who are:

- a)** Licensed to practice engineering by the Association of Professional Engineers of Ontario (APEO)

or

- b)** University graduates in one of the following engineering disciplines:

Aeronautical Engineering (Aero Space, etc.)	Engineering General
Agricultural Engineering	Engineering Science (Physics)
Chemical Engineering	Geological Engineering
Civil Engineering	Mechanical Engineering
Electrical Engineering	Mining Engineering
Electrical Engineering	Metallurgy & Material Science
Electronics Engineering	Nuclear Engineering
Engineering Business (Industrial)	Water Resources Engineering

Scientists

Incumbents of jobs with 600000 or 860000 occupation codes who are university graduates in one of the Natural Sciences, the Applied Sciences, Mathematics or Computer Science and who are not classified as professional engineers.

**Appendix II - Re: Input To Association Of
Professional Engineers Of The Province Of
Ontario (APEO) Salary Survey**

It is agreed that the method of input to the APEO Salary Survey of Employers and the analysis and use of the survey shall be in accordance with the following.

1.0 Data Input

1.1 The salary rates input to the survey shall be the rates paid for normally scheduled hours of work.

1.2 Such salaries shall be input for all Ontario Hydro engineers at Bachelor and/or post-graduate levels in engineering disciplines, who are engaged in engineering or scientific work (incumbents of M&P 600000 series jobs and of FM&P 860000 series jobs, who are represented by the Society), including engineering trainees who are registered (or eligible for registration) by the APEO.

2.0 Method of Input

2.1 Level A

Engineers whose Bachelor graduation occurred during the current or two previous calendar years, who are not incumbents of jobs classified as MP4 and FMP14 or higher.

2.2 Level B

i) Engineers whose Bachelor graduation occurred during the third, fourth or fifth calendar year prior to the current year, who are not incumbents of jobs classified as MP4 or FMP14 or higher.

ii) Engineers in jobs classified as MP1 and FMP11 who have sufficient years of experience to exempt them from eligibility for input to Level A.

2.3 Level C

Engineers in jobs classified as MP2, MP3, FMP12 or FMP13 who have sufficient years of experience to exempt them from the requirement to be input to Levels A or B.

2.4 Level D

Engineers in jobs classified as MP4, MP5, FMP14, FMP15.

2.5 Level E

Engineers in jobs classified as MP6, FMP16.

3.0 Annual Relative Standing

Ontario Hydro data will be excluded from the APEO survey data when making comparisons of Ontario Hydro's position relative to the community.

(signed by J.R. O'Connor for Management and B.A. Green for the Society, November 29, 1984 - revised in 1992/1994 Collective Agreement)

Appendix III - Re: Amendment to the Voluntary Recognition Agreement (VRA)

In light of major changes that have occurred since the Voluntary Recognition Agreement (VRA) came into effect on January 14, 1992, including significant Corporate restructuring, the parties' agreement to conduct a joint internal relativity project, and the need to clarify the Society's historical jurisdiction, the Society and Ontario Hydro agree to replace Sections 1.0 and 2.0 of the VRA with Article 2 of their Collective Agreement as amended by the Framework Agreement dated October 4, 1994.

The parties further confirm that the terms of the VRA as amended in the Collective Agreement remain applicable in all respects, including the agreed upon dispute resolution processes, to all provincially and federally regulated employees, subject only to previously agreed amendments and this amendment.

As a result of renewal negotiations for the 1999-2000 Collective Agreement, the parties agreed to extend Section 9.0 of the VRA to the expiry of the Collective Agreement in operation on January 1, 2005.

As a result of renewal negotiations for the 2007-2013 Collective Agreement, the parties agreed to amend Section 1.0 of the VRA effective July 1, 2007 to delete the provision excluding persons on the basis that they are incumbents in jobs rated 335 points or more under the Plan A Job Evaluation Manual and replace it with the following:

New Exclusion Criterion:

Strategic Business Decisions

- 1. Responsibility for making significant decisions that will have a material impact on the Company's business and/or staffing (what work gets accomplished, how much is done, when it is done and by whom)***
- 2. Responsibility for making significant business/strategy decisions that will have a material impact on how the Company's business is to be run***
- 3. Items 1 and 2 above also apply to work done by consultants and service providers***
- 4. Regular knowledge of high level confidential Hydro One information prior to its disclosure. No person shall be excluded simply as a consequence of preparing, analyzing or making recommendations with respect to the information***

Represent the Company at External Forums

- 5. Responsibility for being a principal presenter at OEB hearings. No person shall be excluded simply as a consequence of being asked to testify as an ad hoc witness***
- 6. Responsibility for deciding what substantive positions will be taken at the OEB***
- 7. Company spokesperson in matters that affect Labour Relations***

Appendix IV Re: Article 2 - Recognition Clause

Hydro One and the Society confirm the following understanding with respect to their agreement to amend Article 2 (“Recognition Clause”) of their Collective Agreement:

1. The parties agree that the Voluntary Recognition Agreement (Attachment A), subsequent amendments to the VRA and correspondence between the parties concerning jurisdictional matters will be admissible in the event of any future interpretation disputes concerning the Society’s recognition clause.
2. The parties agree that the intent of these amendments is to clarify the Society’s historic jurisdiction as the exclusive bargaining representative for the broad mix of professional and supervisory employees that comprise the M&P/FM&P and TMS/TS/OSS/SEI salary classifications on salary schedules 01, 02, 03, 04, 05, 06, 07, 08, 09, 13 and 18 except where such persons are performing managerial functions or are employed in a confidential capacity. As such, these amendments constitute a reconfirmation by Ontario Hydro of the commitments made by D.B. MacCarthy regarding the Society’s jurisdiction in his April 18, 1994 letter to P.T. Suchanek, Registrar of the Canadian Labour Relations Board.
3. The Society acknowledges that Ontario Hydro has consented to the deletion of the following subparagraphs from the bargaining unit description on the basis of the assurance of the Society contained in paragraph 4 below:
 - those persons included on the Executive Salary Roll and above;
 - employees whose full-time duties are security work;
 - employees in the Executive Office;
 - employees in the Office of the General Counsel and Secretary including the Law Division except Corporate Official Records Analysts, Corporate Archivists and Corporate Records Centre Supervisors.
4. The Society assures Ontario Hydro that this agreement, to delete the sub-paragraphs contained in paragraph 3 above, does not extend the previously agreed upon jurisdiction of the Society, except upon consent of the parties, beyond that jurisdiction identified in the Voluntary Recognition Agreement. However, should jurisdictional claims be made by any other bargaining agent for the classifications referred to in paragraph 3 above, the Society may assert a parallel or related claim.
5. The parties acknowledge that there are thirteen jurisdictional grievances filed by the Society pending resolution (listed in Addendum A) and that these amendments are not intended to prejudice the outcome of these disputes.
6. The parties acknowledge that the definition “associated employees” in Subsection 2.3.2 includes, but is not limited to, positions listed below, and other similar positions created in the future.

Occupation Code	Job Title	Salary Schedule	Salary Grade
748042	Vault Officer	01	01
748836	Recruitment and Training Officer	01	01
739055	Organization and Systems Analyst	01	01
748105	Recruitment and Training Officer	01	01
752215	International Project Administrator	01	01
741051	Co-ordinator - Area Office Practices	01	02
719010	LAN Administrator	01	02
741050	Co-ordinator - Customer Service Practices	01	02
748252	Assistant Training Officer	01	02
734075	Business Systems Analyst	01	02
753063	Trade Development Officer	01	02
741845	Transportation Field Co-ordinator	01	02
753847	Material Systems Officer	01	02
734080	Information Systems Support Analyst	01	02
739008	Regional Office LAN Administrator	01	02
623013	Materials and Procurement Services Officer	01	02
730844	Facilities and Services Analyst	01	02
759090	Team Leader - Transportation Planning	01	02
753860	Administrative Services Officer	01	02
752046	Business Planning Co-ordinator	01	02
729051	Transportation of Dangerous Goods Specialist	01	02
719009	LAN Administrator	01	02
734078	Information Systems Specialist	01	02
734079	Office Systems Analyst	01	02
748867	Business Systems and Training Officer	01	02
748850	Emergency Preparedness Officer	01	02
741817	Service Co-ordinator - Kipling Complex	01	03
741072	Co-ordinator - Lines Work Methods	01	03
729056	Building Maintenance Officer	01	03
748865	Field Training Officer	01	03
753403	Senior Employment Officer – Nuclear Operations	01	03
710007	Digital Mapping Co-ordinator	01	03
759026	Training Officer	01	03
741828	Operating & Maintenance Projects Co-ordinator	01	03
741827	Service Co-ordinator	01	03
729043	Building & Facilities Disposal Officer	01	04
741841	Production Co-ordinator	01	04
729014	Maintenance Specialist – Mechanical	01	04

(signed by B.R. Story and C.B. Cragg - October 4, 1994)

ATTACHMENT A

VOLUNTARY RECOGNITION AGREEMENT

This Agreement including the accompanying Framework Agreement, included as Schedule A, resolves all issues raised during proceedings at the Ontario Labour Relations Board, regarding the Society's Applications for Certification (dated November 5, 1986 and October 2, 1990) or otherwise arising as to the status of the Master Agreement as a Collective Agreement before such Board or the Courts. This Voluntary Recognition Agreement is entered pursuant to the Ontario Labour Relations Act and is acknowledged to be enforceable pursuant to that Act. The parties agree that the Memorandum of Agreement, June 19, 1991, known as the Letter of Understanding, is no longer in force or effect.

1.0 Recognition Clause

Pursuant to section 16(3) of the Ontario Labour Relations Act, Ontario Hydro agrees to recognize the Society as the exclusive bargaining agent for the "employees" defined as follows:

"All employees employed by Ontario Hydro in the Province of Ontario as supervisors, professional engineers, engineers-in-training, scientists, professional, administrative and associated employees save and except:

- a) those persons included on the Executive Salary Roll and above;
- b) employees in bargaining units for which any trade union holds bargaining rights as of the signing of this Agreement;
- c) those persons who perform managerial functions as distinct from supervisory functions. An employee is performing managerial functions if:
 - i) she/he performs managerial functions such as hiring, promotion, performance increase, discharge, etc. over other employees in the bargaining unit and;
 - she/he is required to spend the majority of his/her time performing managerial duties and;
 - she/he supervises at least seven (7) employees (directly or indirectly) on a regular and continuous basis.
 - ii) she/he supervises employees who are excluded from the Society under (c) (i), (d), (e) or (f);
- d) employees who are primarily employed in a confidential capacity affecting the terms and conditions of employment for Ontario Hydro staff;
- e) employees whose full-time duties are security work;
- f) employees who are members of a profession entitled to practice in Ontario and who are employed in a professional capacity where the Ontario Labour Relations Act excludes such persons from coming under the Act by virtue of their profession."

2.0 Clarity Notes

For the purposes of clarity, the bargaining unit set out above:

2.1 Includes :

- a) All regular, probationary, part-time and temporary employees whose functions are included in the classifications paid from Salary Schedules 01, 02, 04, 05, 07, 08, 09, and 18; and
- b) All employees paid from Salary Schedule 13 (Nurses), Salary Schedule 03 (System Control Operators) and Salary Schedule 06 (Helicopter Operator Supervisors), except employees excluded by virtue of 1.0 of this agreement, will be entitled to vote to determine if they wish to be represented by the Society. If the majority of eligible employees voting on any schedule vote in favour of being represented by the Society, eligible employees on that schedule will be represented by the Society. The vote will be conducted by the Society and Ontario Hydro by secret ballot.

2.2 Excludes employees in accordance with 1.0 (c) above as follows:

- a) M&P (Schedule 01) - in salary classification MP4 (or higher) rated by the Plan A Point System of Job Evaluation January 1988 ("Plan A"), or its equivalent, carrying "Nature of Supervision" Degree 4 (or higher) or its equivalent and "Numbers Supervised" Degree 3 (or higher) or its equivalent who normally supervise other Society represented employees.
- b) FM&P (Schedule 02) - who normally supervise other FM&P employees and who normally supervise at least seven (7) employees directly or indirectly.
- c) TMS and TS (Schedules 08 and 07) - who normally supervise other TMS or TS positions and who normally supervise at least seven (7) employees directly or indirectly.
- d) OSS (Schedule 05) - who normally supervise other OSS positions and who normally supervise at least seven (7) employees directly or indirectly.
- e) Supervising Electrical Inspectors (Schedule 09) - who normally supervise other SEI positions and who normally supervise at least seven (7) employees directly or indirectly.
- f) Area Managers.

2.3 Excludes employees in accordance with 1.0 (d) above as follows:

- a) Employees paid from Salary Schedule 01 rated under Plan A as having "Staff Responsibility" Degree 4 (or higher) or its equivalent and MP6 employees as having "Staff Responsibility" Degree 3 (or higher) or its equivalent.
- b) Employees in the Executive Office.
- c) Employees in the Office of the General Counsel and Secretary including the Law Division except Corporate Official Records Analysts.
- d) Positions currently listed in Agreement RS-1 dated October 11, 1990.
- e) Human Resource trainee positions on Schedule 04.

3.0 The grievance and arbitration procedure may be used to challenge any unreasonable, arbitrary or bad faith action taken by Ontario Hydro which results in the exclusion of any employee or position from the bargaining unit.

4.0 Arbitration

4.1 Future contract negotiations disputes shall be resolved by binding arbitration in accordance with Section 38 of the Ontario Labour Relations Act and the negotiating process for resolving such disputes shall be set out in full in the collective agreement.

The dispute resolution process shall be mediation-arbitration using the same individual as both the mediator and arbitrator.

The mediator-arbitrator shall consider the following issues as relevant to the determination of the award on monetary issues:

- a) a balanced assessment of internal relativities, general economic conditions, external relativities;
- b) Ontario Hydro's need to retain, motivate and recruit qualified staff;
- c) the cost of changes and their impact on total compensation;
- d) the financial soundness of Ontario Hydro and its ability to pay.

A mediator-arbitrator shall have the power to settle or decide such matters as are referred to mediation-arbitration in any way he/she deems fair and reasonable based on the evidence presented by representatives of Ontario Hydro or the Society in light of the criteria in items (a) to (d) and his/her decision shall be final and binding.

4.2 The parties will hereby undertake to develop appropriate internal comparisons, an external community for comparison and criteria for measuring total compensation by no later than September 1, 1992 and failing such agreement either party may refer the outstanding differences to an arbitrator for a final and binding decision. This undertaking and its referral to arbitration shall be enforceable under the Arbitrations Act.

5.0 No Strike/No Lockout

The collective agreement will recognize that the Society, employees within the scope of the bargaining unit, and the Corporation are pledged to the effective and efficient operation of Ontario Hydro and that they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production as long as the terms and conditions in section 4.0 continue.

6.0 Supervisory Employees

For the purposes of section 9.0, the parties agree that Supervisory positions are those that are not excluded under section 1.0 above and that satisfy the following criteria:

- a) Employees on Salary Schedule 01 who have under Plan A "Nature of Supervision" Degree 3 (or higher) or its equivalent;
- b) Employees on Schedules 07, 08, 02, 05 and 09 on condition they normally supervise other employees.

7.0 Enforcement

The primary method of enforcement of this agreement shall be pursuant to the grievance and arbitration provision of the parties' collective agreement. However, should the collective agreement not be in operation or applicable to the dispute, either party shall have the right to refer to final and binding arbitration any differences between the parties arising from the interpretation, application, administration or alleged violation of this Voluntary Recognition Agreement, including any question as to whether a matter is arbitral.

The arbitrator shall have all of the powers of an arbitrator pursuant to section 44 of the Ontario Labour Relations Act or the Arbitrations Act as the case may be.

Subject to the conditions of this Agreement, if a mediator or arbitrator is not appointed within 30 days of a matter being referred to mediation and/or arbitration, either the Society or Ontario Hydro shall have the right to refer the matter to the Minister of Labour or the Chief Justice of the Ontario Court of Justice and the Minister or Chief Justice shall appoint a mediator and/or arbitrator.

8.0 Selection of Mediators and Arbitrators

Mediators and arbitrators shall be selected from a list of mutually acceptable persons which are to be set out in the collective agreement and the costs of using them will be shared equally by Ontario Hydro and the Society.

9.0 Duration

The agreement shall come into effect on the date of ratification and shall remain in effect thereafter except for section 4.0 and 5.0 which may be terminated by written notice by either party not less than six months prior to the expiry of the collective agreement in operation on January 1, 2001 or any subsequent collective agreement. In the event that the Society provides notice of termination of sections 4.0 and 5.0, Ontario Hydro may require that the supervisors defined in this agreement form a separate bargaining unit for which the Society shall be recognized as the bargaining agent and for which there shall be a separate collective agreement. In addition, the Society shall continue to be recognized as the bargaining agent for non-supervisory staff defined in this Voluntary Recognition Agreement. Disputes on the identification of supervisors shall be submitted to a mutually-acceptable arbitrator for settlement. If the parties fail to agree to appoint an arbitrator, either party may refer the matter to the Minister of Labour or the Chief Justice who shall appoint an arbitrator. If Ontario Hydro provides notice of termination of sections 4.0 and 5.0, it shall continue to recognize the Society as representing all employees in one bargaining unit per this Voluntary Recognition Agreement and ensuing collective agreements.

In the event that either party desires to amend this agreement on or after January 1, 2001, it must notify the other party in writing not less than six months prior to the expiry of the collective agreement in effect on January 1, 2001 or thereafter six months prior to the expiration of any subsequent collective agreement. In such circumstances the parties will have the right, if either party so chooses, to appoint a mutually-agreeable mediator for the purpose of reaching a settlement of the issues and where there is mutual agreement the mediator shall arbitrate outstanding matters in dispute.

Notwithstanding the above, the parties may mutually agree to amend this agreement at any time.

10.0 Federal Jurisdiction

In the event that nuclear workers are found to be covered under the Canada Labour Code and the Society applies to represent these employees, Ontario Hydro will not oppose certification for any employee represented by the Society under this agreement.

11.0 Ratification

The Society Executive recommends acceptance of this agreement to its members and the agreement shall become effective upon the date of ratification. Persons eligible to vote will include all employees who will be represented by the Society under this Voluntary Recognition Agreement. The vote will be conducted by secret ballot.

12.0 Effective upon the date of ratification or as soon as reasonably practical, Ontario Hydro undertakes to make available to those employees excluded under 1.0(c) and 1.0(d) an enhanced Redress Procedure for Management Function staff, which includes the right to representation of their choice, and as a final step in the process, to binding arbitration by an external third party acceptable to the employee and to Ontario Hydro.

13.0 Until the terms of a first collective agreement are reached, Ontario Hydro agrees to adhere to the terms and conditions of employment found in the existing Master Agreement, Subsidiary Agreements and Memoranda of Understanding with respect to the agreed upon bargaining unit. Applicable sections of the Manual of Human Resources Policies and Procedures will act as a supplement to the aforementioned joint documents.

14.0 Effective the first month following the date of ratification, Ontario Hydro shall deduct dues from each employee in the unit and remit this amount to the Society forthwith.

This agreement was arrived at with the assistance of and under the auspices of George Adams as mediator.

[signed by C. Cragg for W. Hirst (Society) and W.S. O'Neill (Ontario Hydro), November 13, 1991.]

Schedule A

Memorandum of Understanding for a Framework Agreement

Ontario Hydro and the Society of Ontario Hydro Professional and Administrative Employees agree as part of the Voluntary Recognition Agreement to be found by the following principles and practices and agree that the negotiation and operation of all collective agreements ensuing from the Voluntary Recognition Agreement will be in accordance with this memorandum unless otherwise mutually agreed.

1.0 Society Interests vs. Corporate Interests

The object of this agreement is to promote harmonious relations between employer and employees consistent with the preamble of the Ontario Labour Relations Act and in recognition of the need for the successful accomplishment of the public purposes for which Ontario Hydro has been established as set forth in the Power Corporation Act and enunciated in the Corporate Direction.

The objective of the parties is to facilitate the peaceful adjustment of salaries and benefits, working conditions, issues of fair treatment, all disputes and grievances, and to prevent inefficiencies and avoidable expenses and to reduce unnecessary delays.

Ontario Hydro's mission is to contribute to the enhancement of the quality of life of the people of Ontario by serving their energy needs. The Society's mission is to strive to ensure the best rewards, career opportunities and working conditions for its members. The Society recognizes a responsibility for providing an essential service to the people of Ontario and in working towards the continued viability and continuity of Ontario Hydro as the provincial electrical utility. Both parties recognize the fundamental importance of service to the Corporation's customers.

The parties recognize that situations may arise where their missions, objectives, or actions come into conflict. These conflicts may impact on the bargaining unit and particularly on supervisory employees represented by the Society. The parties agree that supervisors will be able to participate fully as members and perform supervisory responsibilities without fear of reprisal or recrimination by either party.

Provided nothing in this Framework Agreement is intended to interfere with the exercise of lawful economic sanctions by any member of the bargaining unit or bargaining units as the case may be or by the Society itself should either party to the agreement elect to terminate sections 4.0 and 5.0 of the Voluntary Recognition Agreement.

2.0 Collective Agreement

The collective agreement between the parties will include sections 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, 8.0 of the Voluntary Recognition Agreement, in addition to section 1.0 of Schedule A and the principles set out in sections 3.0 to 7.0 as noted below.

3.0 Supervisory Employees - Code of Ethics

Ontario Hydro agrees to include supervisory employees in the bargaining unit on the condition that the parties recognize that supervisory employees will continue to exercise key functions in the control and operation of Ontario Hydro. As members of Ontario

Hydro's managerial staff, supervisors use judgment to express and make operative the decisions of Management. They are responsible for fostering a healthy work environment. The parties recognize the responsibility of supervisors to discharge their supervisory duties in good faith. The Society and Ontario Hydro will identify, minimize and/or avoid the conflicts/perceived conflicts of interest that may arise concerning the relationship between supervisors, the Society and Ontario Hydro.

It is recognized that supervisory employees may be disciplined for failure to act in good faith as a representative of Management and fulfilling their responsibilities including abuse of supervisory position and breach of trust.

3.1 Grievance Procedure

The collective agreement will have a grievance procedure which will recognize:

- access by either party for disputes arising from the administration of the Collective Agreement and from the application of section 1.0. If such disputes proceed to arbitration, the arbitrator will consider the principles contained in section 1.0;
- the role of supervisors in resolving disputes before they reach the formal procedure;
- that the Society agrees not to discriminate against supervisors who represent Management in Society grievances;
- that the Society will exclude supervisors directly involved in a particular grievance from the decisions on the referral of the grievance through the formal process;
- that supervisors will not act on behalf of the Society in matters associated with a particular grievance where the grievance has been lodged by another member(s) who reports to the particular supervisor.

4.0 Representation on Corporate Committees

The collective agreement will recognize the roles and responsibilities of appointees to committees and task forces, i.e., as a representative of Management on the one hand, and the Society, on the other. When an employee represented by the Society is appointed by Management, his/her responsibility is to Management. When he/she is appointed by the Society, his/her responsibility is to the Society. This role distinction should be made clear at the time of appointment. Notwithstanding the above, and in keeping with section 3.0, Management will endeavour to appoint its representatives having regard to the Society's interests in effective representation.

5.0 Selection of Supervisors

The collective agreement will incorporate the existing practices for selecting the "best qualified candidate" in filling supervisory positions.

6.0 Membership in the Society

The Society agrees to permit members to withdraw membership in the Society.

7.0 Dues Deduction (Rand Formula)

The collective agreement will provide for Society dues, as prescribed by the Constitution, or an equivalent amount, to be deducted monthly (or more frequently if agreed) by Ontario Hydro by compulsory payroll deductions from all Society-represented employees and to be forwarded to the Society on their behalf with a list of appropriate employee information.

The Society confirms it will respect the provision of section 47 of the Ontario Labour Relations Act with respect to bona fide religious convictions or beliefs.

(signed by C. Cragg for W. Hirst [Society] and W.S. O'Neill [Ontario Hydro], November 13, 1991)

Appendix V- Re: Peak Demand Hour Arrangements

The following are definitions and guidelines for the implementation of peak demand hour arrangements.

Definitions

Normal Work Week: For purposes of this Article, a normal work week will mean the total of the standard hours normally worked during a pay period, outside of the peak work load periods.

Normal Hours: Normal hours worked outside of a peak work load period (as per Article 70).

Peak Work Load Period(s): One or more periods during the year in which the expected magnitude or nature of the work to be performed reasonably requires employees to work more than their normal work week, and/or hours different from their normal hours. Peak work load periods may be the result of a need to minimize equipment downtime, or other factors which are expected to occur every year.

Peak Demand Workers: Employees who are likely required to work more than their normal work week, and/or hours different from their normal hours during peak work load periods, and less than their normal work week during other periods of the year.

Intent

- a) Peak demand workers may be required to work normal hours, or scheduled hours on a work and/or shift schedule which are different from their normal hours, and which, in total, may exceed their normal work week during peak work load periods. Scheduled hours worked in excess of the normal work week will be “banked” and taken as time off (consistent with the conditions outlined in this Appendix), during periods of the year when the work load may not require all of the normal hours available.
- b) Work and/or shift schedules, and all other administrative matters regarding the hours of work for peak demand workers will be determined within the business unit, subject to the conditions contained in this Appendix.
- c) The design of work and/or shift schedules and other hours of work arrangements will give consideration of the requirement to perform work in the most effective, efficient and safe manner.
- d) The design of work and/or shift schedules and other hours of work arrangement will give consideration of the need to maintain good working relationships within the affected group and the relativity to other employees not covered by this Appendix.

Conditions

- a) The peak work load periods will be declared prior to the start of the year for the entire year. The declared peak work load periods for the year will not be less than four weeks' cumulative duration (or normal conditions for the employee will apply). The declared peak work load periods will not exceed 26 weeks of the year cumulative duration. For purposes of this Appendix, the year may be any designated fiscal year which will not be changed for the work group once established.

- b) Peak demand workers may be assigned to normal hours, work and/or shift schedules that average more than the normal work week during the declared peak work load periods. Other articles in this collective agreement regarding shift work, hours of work, and standard hours do not apply during declared peak work load periods, except:
- Articles 60.3, 61.4, 62.2 and 62.3 regarding shift allowance for work schedules on weekends, and nights; and
 - special conditions for 12 hour shifts as per Article 62.6.
- c) Management will strive to provide at least seven days' notice of an assignment to a work or shift schedule that requires work outside of normal hours during the declared peak work load periods. However, any hours worked outside of normal hours without at least three days' notice will not be considered scheduled work for purposes of this Appendix.
- d) Work performed outside of scheduled hours is overtime and will be compensated at the appropriate overtime rate(s).
- e) During the declared peak work load periods, an amount equal to the number of scheduled hours worked each week in excess of the normal work week will be "banked". The banked time will be taken as time off at straight time during times of the year outside of the declared peak work load periods, subject to meeting work requirements. When possible, the time off will be scheduled by mutual agreement between the employee and Management. If work requirements have prevented an employee from taking his/her "banked" time off, the time remaining will be compensated as follows: for positive balances in the time bank remaining at the end of the year, the employee will receive payment at time and one-half for 50% of the hours and double time for the balance.
- f) An employee's base wages will be maintained throughout the year, regardless of the number of scheduled hours worked per week during the declared peak work load periods, or hours taken off at straight time from the time balance "bank" during other periods of the year.
- g) The design of work and/or shift schedules used during the declared peak work load periods will be flexible to meet work requirements and consistent with the limitations of the appropriate legislation. Specific rules to be adopted for the design of work and/or shift schedules for peak demand workers may include:
1. The length of a scheduled shift or extended work day cannot exceed 12 hours.
 2. No more than 48 hours of work may be scheduled (i.e., exclusive of overtime) in a week.
 3. The start of a scheduled shift or work period must be at least 24 hours following the start of the previous scheduled shift or work period.
 4. At least eight hours of time off will be provided between work periods including overtime.
 5. Although the content, preparation, costing and administration of work and/or shift schedules is the sole responsibility of the corporation, the preference of the majority of peak demand workers to be assigned in the affected work group will be considered in designing the work and/or shift schedule.
 6. Every attempt will be made to assign employees from those in the appropriate work group, to a work and/or shift schedule under this Appendix, on a voluntary basis. However, in the absence of sufficient qualified volunteers, the corporation may assign specific individuals to perform the work.

Appendix VI - Guidelines for Applying Burkett Overtime Award

As a result of continuing questions concerning the Burkett overtime award, the Society and Ontario Hydro have agreed to issue these guidelines to assist local representatives in interpreting this award.

Employees found eligible for compensation under this award are entitled to receive compensation equivalent to PWU overtime premiums for all overtime worked, retroactive to January 1, 1993. This entitlement applies to all PWU overtime premiums, including double time Saturdays, double time for all work performed outside of their first four clock hours after normal quitting time Monday to Friday inclusive and minimum payments for emergency and scheduled overtime. It does not apply to travel time outside of normal scheduled hours.

To determine compensation eligibility under this award:

First, determine which employees are eligible to receive the PWU equivalent overtime premium. A list of eligible employees should be developed locally using the statement of intent in Part A and the employee eligibility guidelines set out in Part B. Local Society representatives should be involved in developing the list of eligible employees to minimize the possibility of disputes.

Second, decide whether an employee deemed eligible in step one will be compensated with PWU equivalent overtime premiums on an on-going or on an assignment-by-assignment basis. This decision is Management's prerogative. If the decision is made to compensate on an assignment-by-assignment basis, the guidelines set out in the statement of intent in Part A and the guidelines in Parts C and D should be followed to determine when an eligible Society-represented employee qualifies to receive the applicable PWU equivalent overtime premium. Local Society representatives should be involved in the development of local adaptations of these guidelines to ensure fair and consistent employee treatment and to minimize disputes.

Part A - Intent of the Award

The intent of the award is to correct the internal "relativity rub" that arises when Society-represented staff are required to directly supervise or work beside PWU-represented employees performing overtime work in a field environment or facility while receiving less providential overtime provisions than these employees. It is not intended to address internal relativity problems other than those that specifically arise when members of both employee groups work overtime.

Part B - Conditions of Employee Eligibility

1. The following conditions must be satisfied before an employee is eligible to receive award compensation:
 - a) an employee must work in a field environment/facility (=“field condition”);
 - and
 - b) he/she must directly supervise or work beside PWU-represented employees (=“interface condition”).

2. To meet the “field condition”, an employee must be “directly involved in the operations, maintenance or construction of production, transmission, or distribution facilities”.
3. “Head office” refer to non-production, non-transmission or non-distribution facilities and, as of January 1,1993, includes the following locations: 700 University, 393 University, Murray Street, College Park, Place Nouveau and the Atrium. When performing overtime work at these locations, employee do not meet the “field condition”. Local Society and Management representatives should assess whether or not employees, when performing overtime work at other locations, meet the “field condition” on a case-by-case basis, by examining the nature of the employee’s work in light of the statement of intent in Part A and the guidelines contained in this section. In the event of disagreements, the matter should be referred to the Issues Team.
4. Employees whose regular work headquarters are “field” locations (i.e., those *not* included under guideline #2 above) and who train PWU-represented staff meet the “field condition”. Employees who satisfy this condition include those who work at the Orangeville C&D Centre and the Nuclear and Thermal training centres.
5. Employees whose overtime work at their regular work headquarters does not meet the “field condition” (e.g., head office staff) shall be deemed to meet this condition for overtime work performed at “field” locations when they directly supervise or work beside employees involved in the operation, maintenance or construction of production, transmission or distribution facilities (e.g., research, telecommunications or information systems work performed at stations).
6. Employees “work beside” PWU-represented staff if they work at the same time as PWU-represented staff on the same projects/task assignments and this is a normal feature of their work and necessary to carry out their job responsibilities (e.g., P&C Engineers). To determine employee eligibility in this regard, the nature of the Society-represented employee’s job responsibilities, rather than the frequency of his or her actual contact with PWU-represented staff, should be the primary consideration.

Part C - Conditions That Trigger Award Compensation

(Management has the discretion to compensate employees who are deemed eligible under Part B above with the equivalent to PWU overtime premiums on an on-going or on an assignment-by-assignment basis. If Management chooses to compensate on an on-going basis, the sole condition that must be satisfied for award compensation to trigger is the eligible employee’s performance of overtime work. If Management chooses to compensate on an assignment-by-assignment basis, then the guidelines below apply. NB. An individual guidelines does not stand alone: all conditions set out in this Part must be satisfied before an eligible employee qualifies for award compensation.)

1. Both the Society-represented employee and the PWU-represented employee whom he/she supervises or works beside must be on overtime. Example: if a Society-represented employee who normally works days Monday to Friday works on a Saturday with a PWU-represented employee who is working on his/her normal scheduled shift (and does not work beyond the scheduled hours), the Society-represented employee does not qualify for award compensation.
2. Award compensation applies to the period of time when the Society-represented employee is “rubbed” by an unfavourable overtime premium differential. Example: if a Society-represented employee who normally works days Monday to Friday works on a Saturday

from 7:00 am to 3:00 pm with a PWU-represented shift employee (for whom the Saturday is a scheduled work day) whose shift ends at 7:00 am but who continues to work (on overtime) until 3:00 pm, the Society-represented employee qualifies for double time from 11:00 am until 3:00 pm, i.e., when the PWU-represented employee received double time for overtime work.

3. The presence of a Society-represented employee for the overtime in question must be necessary for the work to progress (i.e., if the employee was not there, then the task could not proceed). In most cases, this condition is met if the other conditions set out in the Part are also satisfied.
4. A direct supervisory or "working beside" interface must exist between Society-represented and PWU-represented employees during the overtime in question. The mere presence of a PWU-represented employee on overtime at the same location and at the same time as a Society-represented employee is working overtime does not trigger the award. Example: if a number of eligible Society-represented supervisors work overtime at the same time as PWU-represented employee works overtime, only the supervisor to whom the PWU-represented employee reports during the overtime in question qualifies for award compensation.

Part D - Clarifications

1. Even if only one PWU-represented employee is on overtime for a particular assignment, and the other (PWU-represented) members of his/her crew or task group are not, assuming the other conditions are met, the Society-represented employee on overtime with him/her qualifies for award compensation.
2. Normal shift turnover work of less than 30 minutes does not qualify for coverage under this award, but rather is compensated in accordance with Article 62 ("Shift Turnover") in the Collective Agreement. Shift turnover work of 30 minutes or longer performed outside of normal working hours, however, as well as work other than shift turnover work an employee is required to perform prior to normal starting time are eligible for compensation under this award provided that: a) the employee directly supervises or works beside a PWU-represented employee; and b) both are on overtime; and c) an overtime premium rub exists.

(dated February 28, 1994)

Appendix VII - Default Units of Application

(See Article 64.10.1.5)

Divisions (Default)	Business Unit (Default)
Corporate Services	Corporate Services
Finance ¹	Finance
1. Asset Management 2. Hydro One Telecom	Asset Management
1. Lines 2. Forestry 3. Remotes 4. Customer Relations 5. Health, Safety and Environment	Customer Operations
1. Stations 2. Operating	Grid Operations
Engineering and Construction Services	Engineering and Construction Services
Corporate Communications ²	Corporate Communications

¹For clarification, also includes Society-represented Treasury classifications within Hydro One Inc.

² For clarification, also includes Society-represented Audit classifications within Hydro One Inc.

**Appendix VIII - Side Letters
1999-2000 Negotiations**

December 4, 1998

Mr. John Wilson, President
The Society of Ontario Hydro Professional and
Administrative Employees
525 University Avenue, Suite 630
Toronto, Ontario
M5G 2L3

Dear Mr. Wilson:

This will confirm certain understandings reached during collective bargaining, concerning the Pension Plan:

- a) The employees represented by the Society constitute a separate class within the Ontario Hydro Pension Plan;
- b) The committee established as a result of the Memorandum of Settlement for the 1997-1998 Collective Agreement shall continue to have access to reasonable pension plan and pension fund information, which shall include reasonable information related to the allocation and transfer of pension funds from the Ontario Hydro Financial Corporation Pension Plan to a successor pension plan as contemplated by S. 100 of the *Energy Competition Act*. Prior to its publication, the committee will review any brochure, which provides a summary of the pension plan and any specific provisions and entitlements of the Society pension class;
- c) In the event of a division of the Ontario Hydro Pension Plan into two or more successor pension plans, the provisions of this letter are applicable in respect of each successor pension plan.
- d) The employer confirms it remains responsible in respect of all rights and benefits under Article 88 of the Collective Agreement.

Yours truly,

Steve Strome
Vice President, Labour Relations,
Compensation & Benefits

December 4, 1998

Mr. John Wilson
President
The Society of Ontario Hydro Professional and
Administrative Employees
525 University Avenue, Suite 630
Toronto, Ontario
M5G 2L3

Dear Mr. Wilson:

Hiring Hall Agreement

This letter will confirm the intent behind the Hiring Hall Agreement ("Appendix"), as previously communicated by Richard Sogawa.

During the negotiations the Management Team guarded against impacts on Society positions by ensuring that:

- The position of Sub-Foreperson aligned with the PWU UTS III position;
- The position of Foreperson aligned with the PWU UTS II position;
- The position of Senior Foreperson aligned with the PWU I position;
- PWU members acting as General Forepersons (those which are Society positions) can only do so for less than 3 months. After that time they must become Society dues paying members.

Yours truly,

Steve Strome
Vice President, Labour Relations,
Compensation & Benefits

PART XVI - LETTERS OF UNDERSTANDING
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LETTER OF UNDERSTANDING

#1 **Re: Society-Management Function/ ESR Boundary Issues**

Intent

This LOU seeks to clarify employee rights during the operation of Article 64 related to positions at or near to the boundary between the Society and Management Function and provide an equitable means for employees to participate in competitions or a mix and match and follow their work where it has been transferred in or out of the Society's jurisdiction as a result of a reorganization. It is not intended to provide enhanced employment continuity rights in comparison to employees whose work has not changed jurisdiction.

The Problem

1. Position X is in the old organization and is in the Society. The duties change very little in the new organization but the change is sufficient to alter the jurisdiction of the position (e.g., the span of supervision and control is expanded and there will be more Society direct reports).

Under the current rules the Society-represented employees currently in position X will not be permitted to compete for the position in the new organization during a mix and match.

2. There is a converse of 1. Position Y is currently excluded from the Society (i.e., MF or ESR). In the new organization the position is substantially the same but the jurisdiction of the job will move to the Society's jurisdiction. Once again, the change is minimal (e.g., there is reduced supervision and fewer or no Society direct reports).
3. Position Z is being formed in the new organization. It appears that it will be excluded/included but there is uncertainty about some factors (e.g., the number of direct reports). Therefore, the jurisdiction is uncertain and may eventually change.

In this case, Management could make an arbitrary designation as excluded and the Society could challenge the designation later. If Management were to do this, then the Society-represented employees would not be able to compete for the position during a mix and match process. If the ultimate jurisdiction was within the Society, it could be that the selection process would have to be repeated.

If Management were to designate the position as included in the Society then MF and ESR would be excluded from a mix and match process. A similar result could occur, if the jurisdiction were to subsequently change.

The Solution

A joint process for identifying positions X, Y and Z will be established as follows:

1. Management will identify the X, Y and Z positions and identify the employees who could be adversely affected. The Society will have approval/veto rights. (Note: This is intended to ensure X, Y and Z positions are legitimate and not intended to increase the opportunities for MF and ESR employees or reduce the opportunities for Society represented employees to exercise their seniority rights in the mix and match process.)

2. Category X - These positions will be filled in the MF mix and match or advertised Hydro One-wide using the normal vacancy process if not filled in the mix and match. Society represented employees identified under paragraph 1 will be treated equally to MF employees during a mix and match but may only be selected for Position X. If the position is advertised Hydro One-wide then the employee will be treated preferentially (i.e., be granted the same priority as surplus MF or ESR) for the specified position only. If the employee is not selected, then the employee can exercise all of his/her normal rights under Article 64. Where the employee is not selected for the position, the Society and the employee will be advised of the selection criteria and provided with reasons for non selection.
3. Category Y - These positions will be filled in the Society mix and match or advertised Hydro One-wide using the normal vacancy process if not filled in the mix and match. MF or ESR employees identified under paragraph 1 will be treated equally to Society employees during a mix and match but can only be selected providing they meet the senior qualified criteria for Position Y (i.e., such employees cannot be placed in any other position or displace Society-represented employees). If the position is advertised Hydro One-wide, then the employee will be treated preferentially (i.e., be granted the same priority as surplus Society) for the specified Y position only. If the employee is not selected, then the employee will be treated similarly to other MF/ESR staff in all other respects and have no additional rights.
4. Category Z - The parties will attempt to reach consensus on the jurisdiction of the position based on all available information (which will include an organization chart showing reporting relationships, selection criteria, and description of duties) prior to the selection process. Where consensus is not reached, Management will determine the jurisdiction and the Society will have the right to grieve.
5. The rights of the Society to grieve the jurisdiction of positions are unaffected by agreements reached under this process.
6. This Letter of Understanding expires March 31, 2005.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, January 2003)

LETTER OF UNDERSTANDING

#2 Re: Expediting Redeployment Grievances and Arbitrations

The undersigned Parties agree as follows:

Complaint and Grievance Procedure

1. This agreement applies to grievances arising from the administration of Employment Continuity provisions of the Collective Agreement (Article 64.1.2), including the redeployment process in each Unit of Application, non-selection to positions in the mix and match and non-selection of employees entitled to priority placement in the search/notice period, and to decisions of JROTs.
2. Except as specified in this agreement, all provisions and practices established in relation to the Complaint and/Grievance/Arbitration Procedure apply to these grievances.
3. An employee's complaint must be submitted no later than 20 working days after completion of the Mix and Match, e.g. final approval of the JRPT Second Report or equivalent, the JROT decision, or the selection process that includes the decision he or she feels is unfair.
4. At Step 1 of the grievance procedure, the Society will submit complaints within the scope of this agreement to the relevant JRPT, JROT, and/or line management through Labour Relations Strategy Division. Management and The Society will be given 10 working days to attempt to resolve the grievance. The Society's position on the grievance is not prejudiced by that of Society members of JRPTs or JROTs.
5. Failing resolution at Step 1, The Society may advance the grievance to Step 2 of the grievance procedure within a further 10 working days.
6. The Parties will appoint regular and backup members to at least one Standing Redeployment Grievance Team, which will act as a Second Step Grievance Committee according to the terms of the Collective Agreement. The Committee will meet within ten days of a grievance being filed to attempt to resolve the grievance.
7. Failing resolution at Step 2, The Society may refer the grievance to arbitration within 20 working days. The Parties will designate and retain one arbitrator for grievances under this agreement.

Arbitration

8. The parties will review case by case the appropriateness of the following expedited arbitration process for grievances arising from the Expedited Redeployment Grievance process.
9. Mr. Joseph W. Samuels, or another arbitrator acceptable to the parties, will be retained as arbitrator for Employment Continuity grievances and he will be asked to deal with agreed-upon cases according to the terms of point 10, below. The arbitrator shall control the proceedings and retain jurisdiction to require further submissions of fact or argument as he deems necessary to determine the matter.
10. The expedited arbitration process will require the following:

- ◆ each grievance can be heard on one day, more than one grievance may be scheduled per day subject to the arbitrator's direction.
 - ◆ the parties will prepare and sign a Joint Statement of the facts giving rise to the dispute, the facts in dispute (to the extent practicable), and any agreement as to the issues to be decided by the arbitrator. The Joint Statement must be developed prior to scheduling the hearing date.
 - ◆ each party will present three copies of a Case Statement at the outset of the hearing. The Case Statement will state the issues to be determined, the facts on which the party relies, and a summary of the position of the party, supported by documentary exhibits and references to the Collective Agreement, jurisprudence or other authorities.
 - ◆ witnesses may be called where the arbitrator rules that there is a material factual dispute and determines which parts of the evidence sought to be called appear relevant and material to the determination of the grievance. Witnesses will be under oath and subject to examination and cross-examination.
 - ◆ oral argument will be limited to the position of the party set out in the Case Statement and the rebuttal of the other party's argument.
 - ◆ the arbitrator will determine the matter as soon as possible, with a written decision issued to the parties within ten working days of the hearing date. Failure to meet a time limitation under this process will be deemed a technicality that does not invalidate the proceedings or the award.
11. Where the parties do not agree that a case is appropriate for this procedure, it will be dealt with by the same arbitrator as a conventional referral to arbitration.

(signed by B.R. Story and M. Germani - June 13, 1995)

LETTER OF UNDERSTANDING**#3 Re: First Line Management Supervisory Positions (TMS)**

The parties agree to maintain commitments with respect to the jurisdiction of First Line Management Supervisory positions (TMS) as set out in the following Letters of Understanding, which are in other respects terminated as complete:

- (a) Implementation of the Retail Systems Agreement (August 16, 1995);
- (b) The Implementation of the Grid System Agreement on TMS (January 30, 1996);

(Signed by Steve Strome for Hydro One and John Cameron for the Society, March 2001).

LETTER OF UNDERSTANDING

#4 Re: Allocation of Society Staff to Ontario Hydro Successor Companies

All employees of Ontario Hydro on payroll at December 2, 1998 were allocated to the successor companies/bargaining units: OPGI Non-Nuclear, OPGI Nuclear, OHSC, IMO, ESA.

In certain cases, one successor company/bargaining unit ("service provider") continued to provide a service to one or more successor companies/bargaining units ("service recipient"), after the de-merger of Ontario Hydro (April 1, 1999). In these situations, management determined the number of FTEs required to provide the service, in consultation with the Society.

The employees allocated to positions providing the service shall be subject to the following:

1. If the service arrangement is later terminated, a number of employees equivalent to the number of FTEs identified above shall be allocated to the service recipient on the basis of seniority and preference, subject to work unit viability and reasonableness as in paragraph 2 above.
2. An employee who does not wish to resign employment with the service provider may remain with the company/bargaining unit subject to applicable redeployment provisions of the Society's Collective Agreement with that company/bargaining unit.
3. An employee who is offered a position under this subsection shall be entitled, as an employee of the service recipient, to relocation assistance on such terms as it exists in the collective agreement that applies to the receiving organization at the time of reallocation under this section.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, March 2001).

LETTER OF UNDERSTANDING

#5 **Reclassification of 40-Hour FLM Jobs That Primarily Supervise Non-Trades**

Without prejudice and without creating a precedent regarding any other matter, the undersigned parties agree as follows:

1. This Letter of Understanding is intended to address, on an interim basis¹, the problem of appropriately evaluating First Line Manager (FLM) jobs with regularly scheduled hours of work of forty hours per week that exclusively or primarily² manage³ non-tradespersons⁴ under the Trades Management Supervisor (TMS) job evaluation plan.
2. This agreement applies to incumbents in the Customer Service FLM, the Distribution FLM - Remote Communities Shift Manager jobs and FLM – Field Technical Services ("included jobs"). The incumbents in these jobs as of the date of signing of this agreement are listed in Appendix A. The Society and Hydro One may mutually agree to extend the application of this Letter of Understanding to other jobs consistent with the intent expressed in paragraph 1.
3. The included jobs will be reclassified MP4 and paid off of salary schedule 01 effective the date of signing of this Letter of Understanding. While these jobs remain on salary schedule 01, incumbents will have all rights under Plan A until such time as the parties have agreed on a replacement job evaluation plan.
4. Employees shall be given "point to point" (i.e., as if placed at the same performance standing at the MP4 salary grade) retroactive compensation for the period they were incumbents in the jobs listed in paragraph 2 between January 1, 1999 and the date of signing of the Letter of Understanding.
5. The regularly scheduled hours of work per week for incumbents in included jobs shall be 40 hours.⁵ For the purposes of these jobs only, salary schedule 01 applies to 40 hours per week. As a result, regularly scheduled hours between 35 and 40 hours per week will not be paid on a pro-rated basis.
6. Management shall expeditiously produce job documents for included jobs reflecting the changes agreed to in this Letter of Understanding. These documents shall provide management with the flexibility to assign incumbents to supervise different employee classifications (e.g., trades, clerical-technical, operators) as required. This provision is without prejudice to whether or not this reassignment creates an "adverse impact" within the meaning of Article 64 of the Collective Agreement.
7. Except as expressly modified by this Letter of Understanding, all provisions of the Collective Agreement shall continue to be applicable.
8. This Letter of Understanding shall remain in effect until the earlier of when the parties reach agreement of a new job evaluation plan (pursuant to Section 30.5 of the Collective Agreement) or December 31, 2000. If no agreement on a new job evaluation plan is reached by December 31, 2000, this Letter of Understanding shall continue in effect thereafter subject to termination by either party on 90 days' written notice.

- 1 "Interim" means until agreement is reached on a new job evaluation plan pursuant to Section 30.5 of the Collective Agreement.
- 2 "Primarily" means that normally more than 50% of time is spent managing non-tradespersons.
- 3 In this Letter of Understanding, "manage" is used in the context of the continuation of the jurisdictional commitments given in LOU #3.
- 4 "Tradespersons" means those recognized as such under the PWU-Hydro One Collective Agreement.
- 5 For the sake of clarity, Article 69 of the Collective Agreement ("Reduced Base Hours - 40 Hour Workers) applies to incumbents in these jobs.

(Signed by Steve Strome for Hydro One and John Wilson for the Society, July 14, 1999).

LETTER OF UNDERSTANDING

#6 Re: Process for Updating the Hydro One Drug Formulary to December 31, 2000

A. New Drugs Requiring a Prescription By Law

1. New "generic substitutes" for "name brand drugs" already listed on the Formulary will automatically be added to the Formulary as soon as they are approved for use in Canada.
2. New "strengths/dosages/forms" for drugs listed on the Formulary will automatically be added to the Formulary as soon as they are approved for use in Canada.
3. Out-of-country drugs with the same chemical base as drugs listed on the Formulary will be covered on the same basis as their Formulary equivalent.
4. The Chief Physician (or other employer-designated decision-maker) shall review all drugs that have been newly approved for use in Canada and advise the employer whether the drug is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition. The employer will make all reasonable efforts to make this determination as soon as possible after the drug has been approved for use in Canada. When a drug is deemed by the Chief Physician (or other employer-designated decision-maker) to meet this criteria, the drug shall be added to the Formulary.
5. Any drug on the Formulary that is no longer approved for use in Canada will automatically be deleted from the Formulary effective the date federal approval is withdrawn.

B. Over-The-Counter (OTC) Products

1. A new OTC product that falls into the following categories:
 - (a) considered life sustaining;
 - (b) different strengths or repackaging of life sustaining products already on the Formulary (same product/same company);
 - (a) products already on the Formulary whose DINs may have changed as a result of a company takeover or reorganization shall be reviewed by the Chief Physician (or other employer-designated decision-maker). The Chief Physician (or other employer-designated decision-maker) will advise the employer whether: a) the OTC product is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition; and, b) Best Average Pricing (ie. Manufacturer's wholesale price to the carrier) is available for the product. When the OTC product is deemed by the Chief Physician (or other employer-designated decision-maker) to meet this criteria, the product shall be added to the formulary.

When Best Average Pricing information is not available for an OTC product, a paper claim will be reimbursed subject to determination by the

Chief Physician (or other) employer-designated decision maker) that there is no reasonable alternative product on the existing formulary and that the product is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition.

C. MISCELLANEOUS

1. The Corporation agrees to provide the following to The Society: a full and complete copy of the list of new drugs approved for use in Canada, as received from the Carrier (usually monthly); a list of (prescription and OTC) items added to the Formulary (including, where applicable, what country it applies to); and, upon written request from The Society, a written rationale for not including a drug on the formulary
2. Notification of the employer's decision to not add a drug to the Formulary, and any ensuing discussion with respect to the employer's rationale for not doing so:
 - Shall not be deemed to trigger timelines under Article 16 of the Collective Agreement;
 - Shall be without prejudice to The Society's position with respect to whether the drug meets the "reasonable and customary" standard; and,
 - Shall not prejudice The Society's entitlement, or the entitlement of any Society-represented employee(s), to grieve the employer's decision at a later date.

Where a timely grievance is successful, reimbursement for a denied claim shall be limited to the date of claim and retroactive additions to the Formulary shall be limited to the date of claim denial.

3. The Corporation agrees to provide The Society with an electronic copy of the complete Drug Formulary on a regular basis (calendar year).
4. The Corporation agrees to install, and update on a regular basis, the complete Drug Formulary on the Intranet.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, July 11, 2000).

LETTER OF UNDERSTANDING

#7 Re: Hydro One Acquisitions

Without prejudice and without creating a precedent regarding any other matter, the undersigned agree as follows:

Hydro One Inc. is engaged in the acquisition of various Utility businesses. In most cases, Hydro One Inc. intends to integrate the work force of the Utility with the Hydro One Inc. work force. This Letter of Understanding will apply to all employees the Society represents after the acquisition of the Utility or part thereof.

1. Upon acquisition of the Utility, or part thereof, and where the Society represents the employees, Hydro One Inc. shall employ in the bargaining unit all employees of the Utility (the "employees") who would typically fit within the Society's recognition clause and shall intermingle such employees and the business of the Utility with its own employees and business. Hydro One Inc. shall provide the Society with Notification of the intent to transfer employees from the Utility to the Society's jurisdiction within Hydro One. A joint review of the employees' classifications shall be conducted to assess how they fit in the bargaining unit as soon as possible and before the transfer of these employees to Hydro One Inc.
2. Where employment or location protection has been provided as part of the sale agreement, these employees ("protected employees") shall have a protected period which is the period of time beginning when the protected employee commences employment with Hydro One Inc. and ending when the first of any of the following events occurs:
 - a) The number of years of protection noted in the purchase agreement, to a maximum of 5 years, have elapsed since the date the protected employee commenced employment with Hydro One Inc.
 - b) The protected employee voluntarily obtains another position within Hydro One Inc. in accordance with paragraph 5 below.
 - c) The protected employee voluntarily retires or leaves the employ of Hydro One Inc.
 - d) The protected employee voluntarily notifies Hydro One Inc. and the Society in writing that he/she wishes to terminate his/her protected period. No such notice shall be served during any period of time when Hydro One Inc. is redeploying other members of the bargaining unit pursuant to Article 64 of the Collective Agreement or any other negotiated redeployment arrangements.
3. During the protected period, the protected employees shall not be subject to permanent transfer, displacement or any part of Article 64 of the current Society Collective Agreement.
4. Employees shall carry forward their seniority and service credit from the Utility. Employees shall accrue seniority and service credit under the Collective Agreement for all purposes under the Collective Agreement.
5. Protected employees shall be eligible to apply for vacancies pursuant to Article 65 and shall be considered at selection priority level (f) for vacancies filled in accordance with Subsection 65.6.3 of the Collective Agreement. Protected employees shall not be given preference or priority consideration over other Society-represented employees in the filling of vacancies other than on the basis of the selection criteria set out in Article 65.

6. Any positions that are vacant prior to the acquisition and which Management intends to fill shall be advertised in accordance with the applicable section of Article 65 of the Collective Agreement.
7. No regular Society-represented employee shall be subject to Article 64 as a direct result of protected employees performing their work during the protected period.
8. Each acquisition, and a list of the associated protected employees, shall be documented on an attachment to this Letter of Agreement.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, September 26, 2000).

LETTER OF UNDERSTANDING**#8 Re: Career Edge**

Career Edge is a non-profit organization which connects university and college graduates with employers to develop marketable career-related skills to help the individual succeed in today's market place.

Society-represented employees may be utilized to mentor, train and to oversee training related assignments of Career Edge participants. It is expected that any investment of time by Society-represented employees in training and mentoring will be offset by the contributions of Career Edge participants.

Hydro One and the Society support the goal of the Career Edge program. To assist with its objectives, the parties agree to the following:

1. Participants may have an internship program of either 6, 9, 12 or 18 months.
2. Hydro One will advise the Society Office of each potential Career Edge opportunity that is within the Society's jurisdiction prior to finalizing an agreement with Career Edge.
3. Career Edge participants will not become employees of Hydro One.
4. Career Edge is the legal employer of the participants so all payroll administration and associated liabilities reside with Career Edge.
5. In order to make the internship as beneficial as possible, participants may be assigned training exercises consisting of work within the Society's jurisdiction.
6. Participants will not be represented by the Society.
7. There will be no adverse impact within the meaning of Articles 64 and/or 18 on a Society-represented employee or the Society, including no reduction in Society-represented positions (and associated hiring requirements) nor any displacement of Society-represented employees from their positions, as a result of the Career Edge program.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, September 21, 2000).

LETTER OF UNDERSTANDING

#9 Re: Implementation of Bi-Weekly Pay

Without prejudice and without creating a precedent regarding any other matter, pursuant to and in full completion of the commitment set out in Article 76, the undersigned parties agree to introduce bi-weekly pay for Society-represented employees in Hydro One on the following basis:

1. Bi-weekly pay will be introduced the later of January 2002 or when bi-weekly pay is implemented for PWU-represented staff in Hydro One.
2. In order to facilitate the transition to a bi-weekly pay cycle, Hydro One will advance the equivalent of one (1) week's net pay on the last weekly-pay pay date to all employees except those who elect not to receive this payment in accordance with paragraph 3 below.
3. Employees will be canvassed to determine whether they wish to receive the advancement described in paragraph 2 above. Failure to respond within two (2) weeks of receiving the option form will result in the employee deemed to wish to receive the advancement.
4. Employees who receive the advancement will be required to pay it back in equal instalments over six months. Such deductions will be taken directly off the employee's bi-weekly pay deposit. If an employee's net pay is insufficient to cover the required repayment amount, the employee will provide a cheque for the required amount payable to Hydro One.
5. In the event an employee terminates from Hydro One before repaying the advancement in full, any money owed will be deducted from outstanding monies owed to the employee.
6. No regular employee will be laid off as a direct result of moving to the bi-weekly pay cycle.
7. This agreement is conditional upon finalization of an agreement between the PWU and Hydro One on the implementation of bi-weekly pay for PWU-represented staff. In the event that Hydro One and the PWU agree to more provident terms than those contained in this agreement, the Society will have the choice of accepting this agreement or the PWU agreement.

(Signed by Steve Strome for Hydro One and John Cameron for the Society, October 30, 2001).

LETTER OF UNDERSTANDING

#10 Return of Employees from Inergi to Hydro One

Warehouse Operations

Without prejudice and without creating a precedent regarding this or any other matter, the undersigned parties agree to the following:

1. The purpose of this Letter of Understanding is to identify the employees who are returning from Inergi to Hydro One as a result of the repatriation of the warehouse operations.
2. The following employees will be transferred from Inergi to Hydro One:
 - T. Crawford (617911) – Warehouse Operations Supervisor
 - E. Kapitan (676774) – Warehouse Operations Supervisor
 - P. Martin (107681) – Warehouse Operations Supervisor
3. Effective the date of transfer, the above named employees shall transfer all accumulated service, vacation, seniority, sick leave and subject to the agreement of Inergi, pension credits as set out in Articles 4 and 64 for all Inergi and previous Hydro One service to Hydro One. For the sake of clarity, these employees shall be considered employees hired before January 1, 2002 for the purposes of Article 44.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 7, 2004).

LETTER OF UNDERSTANDING

#11 Re: Biometrics Information at the Barrie HONOC

1. It is acknowledged that the introduction of and requirement to provide biometrics information is a condition of employment at the Barrie HONOC.
2. The collection and use and disclosure of the personal information provided will be restricted to the stated purpose of using biometric templates, which is to secure verification of the identity of individuals for access to the Barrie HONOC facility. The biometric template is not a fingerprint as used in law enforcement.
3. This LOU does not set a precedent for either party regarding security access requirements at other locations, currently or in the future.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, July 9, 2004).

LETTER OF UNDERSTANDING**#12 Re: Work Refusal**

It is jointly agreed that the following Letter of Understanding is an agreement between the parties and that any changes require joint agreement. The parties further agree that any detailed associated documents must meet the intent described within this Letter of Understanding.

- 1. Items within any detailed associated documents will clearly identify the rights and accountabilities of workers, supervisors and the employer under the Occupational Health and Safety Act, section 43.***
- 2. The parties agree that the work refusal process established within Hydro One will have a three stage process. The three stages will outline a worker concern process – stage 1, a worker refusal process – stage 2 (internal) and a worker refusal process – stage 3 (Ministry of Labour Involvement).***
- 3. The parties will ensure the process identifies the Union Representative's role.***
- 4. The process will ensure active participation of Senior Management and the Society Hydro One Local Vice-President, prior to contacting the Ministry of Labour.***
- 5. Either party may cancel this Letter of Understanding on 60 days' notice.***

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 18, 2005).

LETTER OF UNDERSTANDING

#13 Re: Incident Rating and Investigations

It is jointly agreed that the following Letter of Understanding is an agreement between the parties and that any changes require joint agreement. The parties further agree that any detailed associated documents must meet the intent described within this Letter of Understanding.

Incident Rating

- 1. The Society Representatives on the Joint Health and Safety Committee shall be provided with the opportunity for input into incident, Maximum Reasonable Potential for Harm (MRPH) ratings.**
- 2. Where the rating of an incident is in dispute, Line Management or Joint Health and Safety Committee members can seek timely resolution of the dispute through an adjudication by the Vice-President of Health, Safety and Environment.**

Incident Investigation

- 1. All incidents shall be investigated. Whenever a team is appointed to investigate an incident, the Society shall be invited to participate on investigation teams and shall select their representative.**
- 2. It is Hydro One's general intent to share all management corrective action plans with all employees and their unions as broadly as possible. However, it is acknowledged that in respect of certain incidents, such as those out of which significant personal or corporate liability may arise, this may not always be possible or desirable. In respect of such incidents, with a view to protecting the rights of employees of the Corporation and the Corporation itself and subject only to the Joint Health and Safety Committee and Society Representatives' right to review the written corrective action, Management reserves the right to not publish or distribute a copy of the written corrective action plan and, if the written corrective action plan is published or distributed, to prohibit or limit its further disclosure or reproduction in any form. In these instances the Corporation will identify this to the Society prior to the start of the investigation. The Society Representative, who will be a person designated by the Society Vice-President, may sign off that the Society is in agreement with Management's decision to withhold, prohibit or limit reproduction of the corrective action plan.**
- 3. It is agreed between the parties that joint investigations are performed to identify the root cause(s) of the incident and not to lay blame on any individual. It is agreed that any information gathered during the investigation process will not be used to discipline any Society member. If Management so desires they can conduct a separate investigation for disciplinary purposes.**
- 4. The team established will sign off on the final report. If the Society disagrees with the report the Society Representative's comments will be noted in the report.**
- 5. All applicable release costs and associated expenses shall be borne by the company as per the Collective Agreement and the Occupational Health and Safety Act.**

- 6. Joint Health and Safety Committee members and the Union Representatives shall have the right to review the management approved corrective action plan, except as noted in item 2 above.**
- 7. There will be a discussion between the parties prior to the release of a final report, by either party, that is not described in item 2 above.**
- 8. Either party may cancel this Letter of Understanding on 60 days' notice.**

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, April 18, 2005).

LETTER OF UNDERSTANDING**#14 Re: Career Bridge**

Career Bridge is a non profit organization which connects internationally Qualified (foreign trained) Professionals with employers to gain Canadian work experience to help the individual succeed in today's market place.

Society represented employees may be utilized to mentor, train and to oversee training related assignments of Career Bridge participants. It is expected that any investment of time by Society represented employees in training and mentoring will be offset by the contributions of Career Bridge participants.

Hydro One and the Society support the goal of the Career Bridge program. To assist with its objectives, the parties agree to the following:

- 1. Internship lengths are of at least 4 months and can be extended to a maximum of 12 months at the discretion of Hydro One.***
- 2. Hydro One will advise the Society Office of each potential Career Bridge opportunity that is within the Society's jurisdiction prior to finalizing an agreement with Career Bridge.***
- 3. Career Bridge participants will not become employees of Hydro One.***
- 4. Career Bridge is the legal employer of the participants so all payroll administration and associated liabilities reside with Career Bridge.***
- 5. In order to make the internship as beneficial as possible, participants may be assigned training exercises consisting of work within the Society's jurisdiction.***
- 6. Participants will not be represented by the Society.***
- 7. There will be no adverse impact within the meaning of Articles 64 and/or 18 on a Society represented employee or the Society, including no reduction in Society represented positions (and associated hiring requirements) nor any displacement of Society represented employees from their positions, as a result of the Career Bridge program.***

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, February 28, 2006).

LETTER OF UNDERSTANDING

#15 Re: Exclusions Process

The following shall constitute full and final settlement of the issue of which newly-excluded MCP jobs must be processed through the exclusion process outlined in the collective agreement.

The following agreement only addresses situations where the newly-excluded MCP job is excluded under the new exclusion criterion (see Appendix III). It does not alter the practice associated with the other exclusion criteria, nor does it apply to jobs that have a MCP position reporting to them.

- 1) Vice-President jobs and/or jobs rated Band 4 or above do not need to go through the exclusion process. Hydro One will notify the Society about any applicable new jobs.***
- 2) Jobs rated Band 5 (without a MCP report), Band 6 (without a MCP report), Band 7 and below will be processed according to Article 2.5 of the collective agreement.***
- 3) The Director, Aboriginal Relations will be deemed to have been through the process. Hydro One will send the Society an overview of the job. If the Society has any issues with this job, the parties will meet to discuss. The Society has the right to challenge this exclusion through the grievance-arbitration process.***

In the event that Hydro One changes the system used to classify MCP jobs, or significantly alters the MCP band structure, the parties will attempt to reach agreement on how to apply the principles of this agreement to the new/modified classification system. Failing agreement, either party may refer this dispute to mediator-arbitrator Kevin Whitaker or a mutually agreeable alternate.

(Signed by Steve Strome for Hydro One and Keith Rattai for the Society, March 20, 2008).

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EMPLOYEE SHARE GRANT PLAN

ELIGIBLE PWU-REPRESENTED EMPLOYEES

March 2017

hydroOne

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HYDRO ONE LIMITED PWU REPRESENTED EMPLOYEE SHARE GRANT PLAN

Welcome to the Hydro One Limited PWU Represented Employee Share Grant Plan.

There is no greater reward than having an ownership stake in what you are helping to build. The Employee Share Grant Plan (the "Plan") provides an opportunity for you to benefit from the results that you help to create.



OVERVIEW

To get the most out of your Employee Share Grant Plan, it is important that you understand how it works, how you can track the value of your shares, and what to expect as a participant in the Plan.

Shares are issued to eligible PWU represented employees on April 1st of each year (the "Grant Date") starting in 2017, and continue to be issued annually up to the last date set out in your Employee Share Grant Plan letter.

Simply put, if you are an eligible employee of Hydro One on the Grant Date, and have contributed to the Hydro One Pension Plan from April 1st, 2015 up to and including the Grant Date, you will receive the shares as set out in your Employee Share Grant Plan letter. Hydro One will deposit the shares into an account in your name with its administrative agent, Computershare.

Keep reading to understand how the Plan works.

Further details regarding your eligibility to receive shares are set out in the Plan Text.



ELIGIBILITY FOR THE EMPLOYEE SHARE GRANT PLAN

You are eligible to participate in the Plan if, as of April 1, 2015, you were:

- a regular employee of Hydro One Inc. or any of its subsidiaries, and
- represented by the Power Workers Union CUPE Local 1000 in your base position, and
- making contributions to the Hydro One Pension Plan, or on LTD or on an approved leave and for which pensionable time was purchased in a timely manner.

In order to maintain eligibility in a grant year, the employee would have to continue to be a non-retired member of the Hydro One Pension Plan on the grant date.

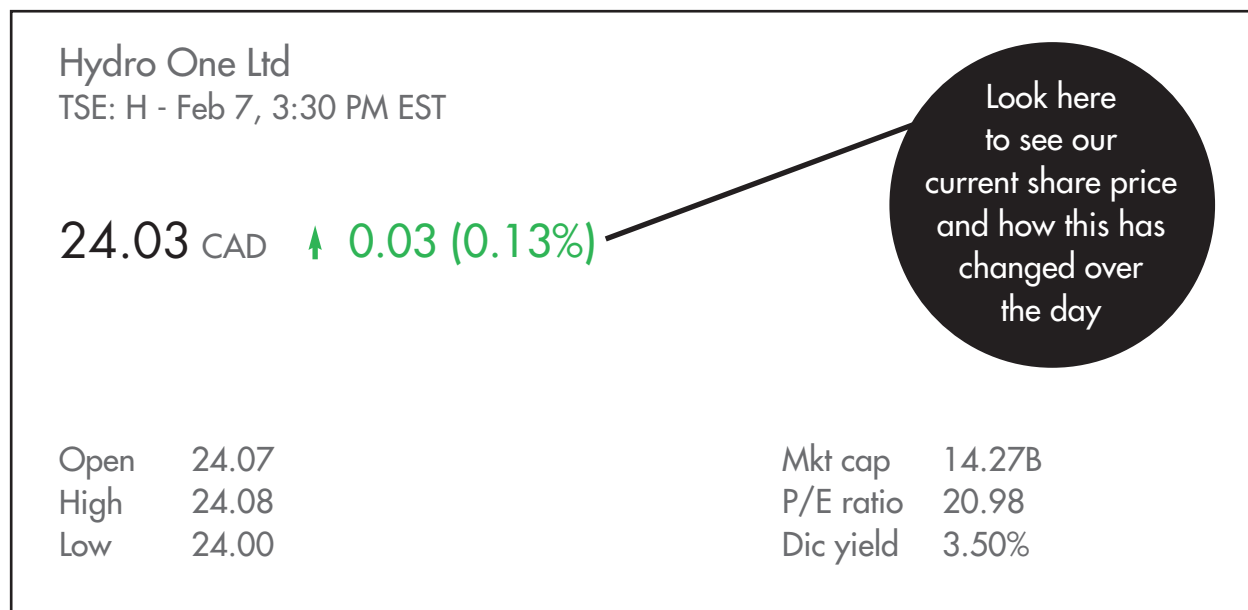
WHAT IT MEANS TO BE A HYDRO ONE SHAREHOLDER

As a shareholder, you need to know what Canadian Controlled Private Corporation (CCPC) shares are. You'll also need to know how the share price fluctuates, about the income you'll receive in the form of dividends, and the tax treatment on the income you will receive when you sell your shares.

- **CCPC shares** – These are shares in a Canadian corporation that is not controlled by non-residents of Canada nor by public corporations (nor a combination of these). Hydro One entered into the Plan and agreement letters with eligible employees when Hydro One qualified as a CCPC. These CCPC shares are taxed in the year in which they are **sold** rather than in the year in which they are issued. If you do not sell the shares within the first two years following the Grant Date, you will also benefit from a 50% deduction in the taxable benefit on the shares received when they are sold.
- **Share price fluctuation** – The share price changes throughout the trading day. Hydro One Limited shares are listed on the Toronto Stock Exchange with the ticker symbol "H". You can track the share price on Hydro One's external Investor Relations website or in the general marketplace; that is, online or through stock market information in a national newspaper.
- **Dividends** – Hydro One Limited distributes a portion of its profits to shareholders in the form of dividends. Dividend income is automatically reinvested in your account through the purchase of additional (non-CCPC) Hydro One Limited common shares.
- **Capital gains/losses** – A capital gain results when the market price at the time the shares are sold is greater than the price at the time of grant. Conversely, a capital loss results when the market price at the time shares are sold is less than the price at the time of grant. Any change in the fair market value (FMV) of the CCPC shares since the Grant Date will give rise to a capital gain or loss. Hydro One is not liable for changes in share value.

TRACKING SHARE VALUE

At each Grant Date, you will receive the number of shares set out in your Hydro One Employee Share Grant Plan letter. You can track the value of the Hydro One Limited shares on Hydro One's external website, as well as many financial websites. Here's an illustration of what you will see in the financial section of newspapers or online stock reports:



Legend

Open	Opening Share Price
High	Daily High Share Price
Low	Daily Low Share Price
Mkt Cap	Market Capitalization
P/E ratio	Price to Earnings Ratio
Div yield	Dividend Yield

Stock Split/Consolidation

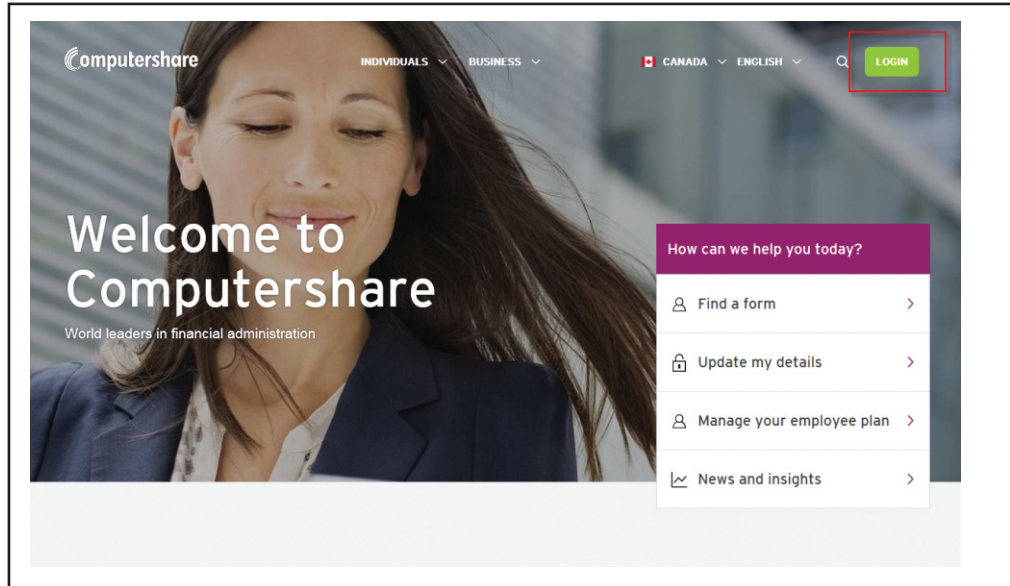
The number of Shares to be granted on any Grant Date are adjusted in the event that shares of Hydro One are split, consolidated in order to prevent dilution or enlargement of the share grants. Hence, an employee eligible to receive a share grant of 100 shares per year would receive 200 shares per year after a 2 for 1 stock split is declared by Hydro One. Conversely, if a 2 for 1 consolidation is declared, the annual share grant would become 50 shares. The adjustment is necessary in both cases to maintain the total value of the share grants to the recipient.

CREATING YOUR ACCOUNT

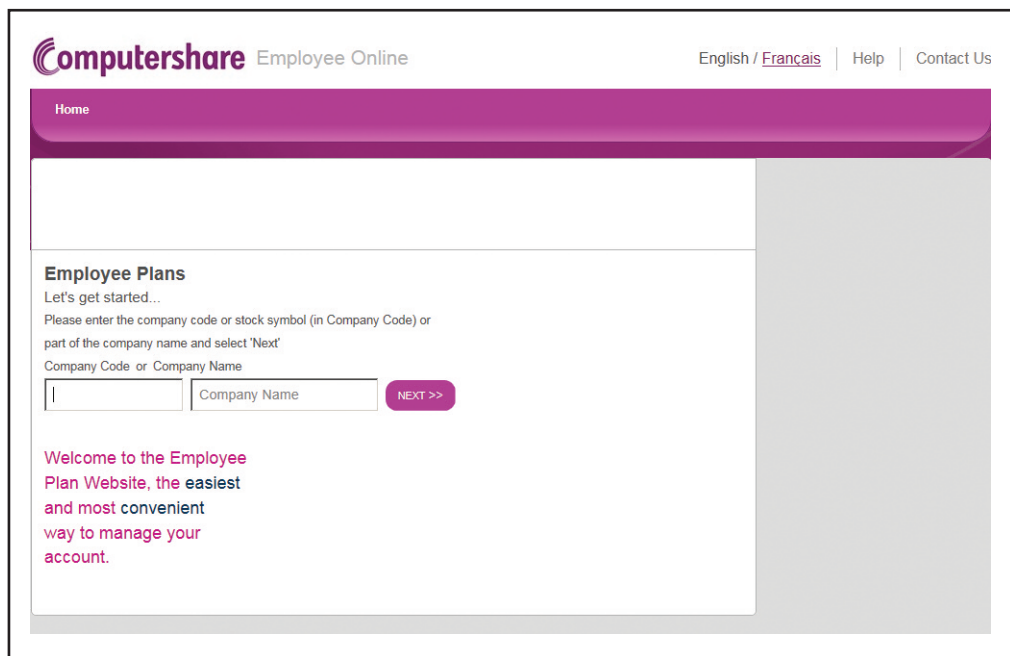
Hydro One has selected Computershare as its administrative agent. Computershare will set up an account in your name to hold shares on your behalf.

In order to access information about your shares, you must activate your account by following the instructions below.

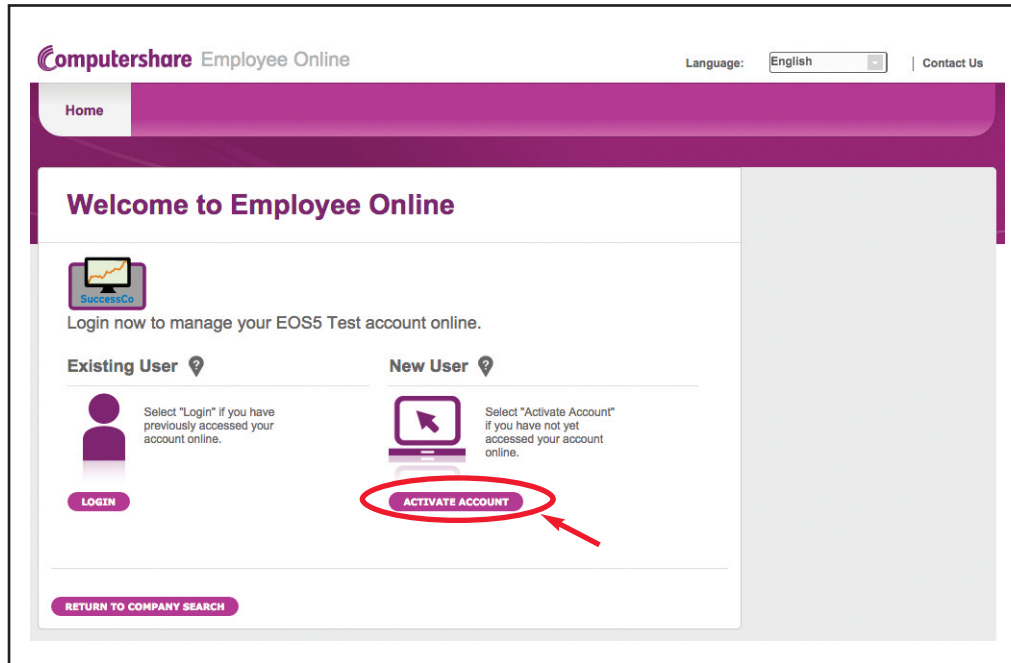
1. Navigate to **www.computershare.com/employee/ca**



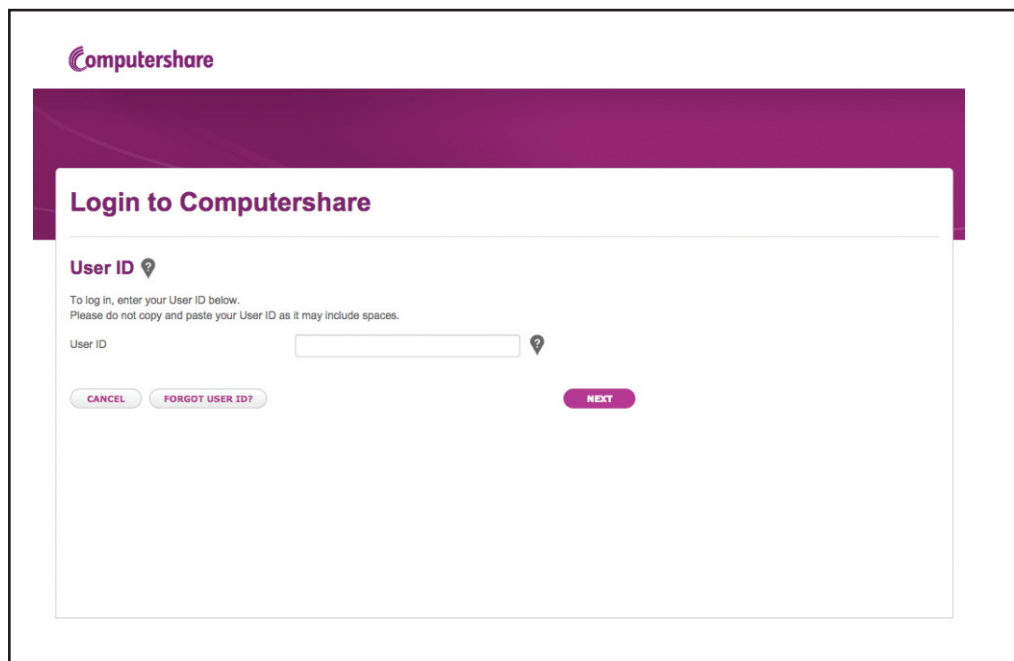
2. Enter H under company code and click Next.



3. Click on "Activate Account" under New User



4. Enter your Hydro One Employee Identification (ID) number as your new Computershare "User ID" and click NEXT. Your Employee ID can be found in the Welcome notification you receive from Computershare.



5. Enter your temporary Personal Identification Number (PIN), which can be found in the PIN notification you receive from Computershare in the 'PIN/Password' field.
6. Enter the characters shown within the "CAPTCHA" field (letters/numbers of the distorted image). Click on "Continue"

Once logged in, you will be brought to the 'Account Update' screen where you will be required to create your new personalized user ID and password and set up your security questions. Please note that fields marked with an asterisk (*) are mandatory.

- Contact Information
- Security Questions
- Personal Site Seal
- Mobile / Cell Phone Number

Activating your account is only required the first time you log in. Going forward, to access your account, click on 'Login' from the landing page and use your personalized User ID and password to login. Once logged in, you can view your account details.

For additional support, the below links provide step by step instructions on how to activate your account and log into your account after activation:

English:

<https://www.computershare.com/ca/en/employee-online-login-demo>

French:

<https://www.computershare.com/ca/fr/demo-de-louverture-de-session-dans-employes-en-ligne>

WITHDRAWAL, SALES & TAXES: MANAGING YOUR SHARES

Withdrawal

Share Grants are not eligible for withdrawal from your account until after the second anniversary following the relevant Grant Date for these shares. After this two year period, you can transfer your CCPC shares to a personal broker. Withdrawals, including transfers to another brokerage and certificate requests, are subject to transaction fees which are the responsibility of the employee. Further information on these fees is outlined later in this document.

Sale of Shares & Tax Implications

You may sell your shares at any time after they have been issued to you. There are tax implications associated with a sale of your shares; it's essential to review the tax considerations prior to making a sale. You should also note you are accountable for the cost of any brokerage and transaction fees for the sale.

If you sell your CCPC shares within the two year period from the date in which they were granted, you will incur a taxable benefit and a capital gain or loss in the year the shares are sold. However, you will not benefit from the favourable CCPC tax treatment; that is, you will not be eligible for the 50% deduction in the taxable benefit. Capital gains will be subject to the applicable inclusion rate and will be taxed at the applicable tax rate.

Computershare's system will categorize your shares into dividend, restricted and unrestricted shares. Shares that have met the 2 year holding period will be listed as unrestricted shares. Those that have not met the holding period will be listed as restricted shares in your Computershare account.

Sale of shares will trigger a taxable benefit and a capital gain or loss. **CCPC shares** permit you to include the taxable benefit for the shares issued to you **in the taxation year you sell your shares, and not in the year when they are issued.**

When you sell the CCPC Shares, you will be able to deduct 50% of the taxable benefit from your income if you have held the shares for more than two years (unrestricted shares). All dividends earned on shares are taxable in the year in which they are paid. Computershare will issue a T5 for dividend income earned each year.

If you leave your shares in your Computershare account until the time of the sale, you will receive a T4 from Hydro One detailing the taxable benefit and a T5008 from Computershare regarding the capital gain/loss and T5 for dividend income.

If you have transferred any of your shares out of your Computershare account into another brokerage account and subsequently sell your shares, you must notify Hydro One. If you fail to notify Hydro One that you have sold the CCPC shares, you are still required to report the taxable benefit and the sale of the CCPC shares on your tax return. A failure to report the taxable benefit and the sale will result in underpayment of your tax obligation (and possibly CPP contributions and other statutory payments) for the year in which the shares are sold and may be subject to interest and penalties by the Canada Revenue Agency, which will be your responsibility. Further, you may lose your entitlement for the 50% deduction in the taxable benefit if you do not report your sale to Hydro One. The 50% deduction must be reported on the T4 slip to indicate your eligibility and the amount.

Withdrawals and/or the sale of shares must not occur during blackout periods and/or when you have non-public material information. Please refer to Hydro One's Insider Trading Policy (available through HODS) and the Blackout Calendar for more information.

EXAMPLE: Sale of Shares after 2 Years

This example is for illustrative purposes only.

Date	Action	FMV	Value	Tax Implications
April 1, 2017	Receive 100 Shares	\$21	\$2,100	no tax payable at time of grant
April 1, 2018	Receive 100 Shares	\$19	\$1,900	no tax payable at time of grant
April 1, 2019	Receive 100 Shares	\$22	\$2,200	no tax payable at time of grant
Total			\$6,200	
April 1, 2025	Sell 300 Shares	\$30	\$9,000 (\$30 x 300 shares)	<p>Taxable Benefit on Shares: \$3,100 (\$6,200 x 50% deduction in taxable benefit as shares were held for more than 2 years) This amount will be taxed as regular income.</p> <p>Capital Gain: \$2,800 (\$9,000 value at sale – \$6,200 taxable benefit before deduction for holding) This amount will be taxed as capital gains.</p>

EXAMPLE: Sale of Shares before 2 Years

This example is for illustrative purposes only.

Date	Action	FMV	Value	Tax Implications
April 1, 2017	Receive 100 Shares	\$21	\$2,100	no tax payable at time of grant
April 1, 2018	Receive 100 Shares	\$19	\$1,900	no tax payable at time of grant
Total			\$4,000	
February 1, 2019	Sell 200 Shares	\$25	\$5,000 (\$25 x 200 shares)	<p>Taxable Benefit on Shares: \$4,000 This amount will be taxed as regular income.</p> <p>Capital Gain: \$1,000 (\$5,000 value at sale – \$4,000 taxable benefit) This amount will be taxed as capital gains.</p>

ADMINISTRATIVE FEES

It is important that you review the fees related to your account. The following fees apply to the sale or withdrawal of your shares and are payable only by credit card:

Sale of CCPC shares

If you sell your CCPC shares directly from your Computershare account, the following fees apply:

Website Transactions	\$25.00 for each transaction + \$0.03 per share sold (broker's commission)
Transactions with Representative by phone	\$50.00 per transaction + \$0.03 per share sold (broker's commission)

Withdrawal of CCPC Shares

If you withdraw CCPC shares from your Computershare account in order to transfer these CCPC shares to your broker or to receive a share certificate (Direct Registration System), the following fees apply:

Website Transactions	\$35.00 per transaction
Transactions with Representative by phone	\$50.00 per transaction

Non-CCPC Dividend shares

If you sell your non-CCPC shares purchased on your behalf from your dividend income, the commission is \$0.03 per share. No transaction fees apply.

Participant Account

After you retire or terminate, or when all your shares become unrestricted, you have the option to keep your account with Computershare. There is an annual fee of \$30.00 to maintain a participant account.

Please note that commissions and fees are subject to change. Any changes to the fee schedule will be communicated by Computershare.

LEAVING HYDRO ONE

The scenarios below explain what happens to your Share Grants if you no longer work at Hydro One.

Termination or Retirement

You must be an employee of Hydro One on each Grant Date in order to receive the annual share grants. You are able to retain any shares that have already been issued to you before your termination or retirement but you will not be issued any further CCPC shares once your employment has ended.

If you leave Hydro One and are subsequently rehired, your CCPC share grants cannot be reinstated.

Death

If you die before receiving all your CCPC share grants, your estate will not receive any further share grants.

If you die before selling all of your CCPC shares, they will be deemed to be disposed as of your date of death at the fair market value for tax purposes. A T4 slip reflecting the applicable taxable benefit will be generated and provided to your estate. If you are no longer an employee and have withdrawn your CCPC shares from your Computershare account, you should provide advance instructions to your broker and/or the executor of your will to notify Hydro One of your death so that the appropriate T4 reporting can be completed.

Disability

If you go on Long Term Disability (LTD), you continue to be an employee of Hydro One and receive your annual share grants in accordance with the share grant schedule.

At age 65, employees are no longer eligible for LTD benefits. You must return to work (pending an approved Corporate Rehab Plan), retire, or terminate your employment. On termination or retirement, the provisions noted above apply.



QUESTIONS

If you need assistance with your account, please contact Computershare:

- Visit www.computershare.com/employee/ca, or
- Contact a Computershare Representative at 1-866-593-4601, Monday to Friday from 8:30 a.m. – 8:00 p.m.

For general plan information:

- Go to the **Hydro One People Matters Site**, or
- Email Share Grants Administration SHAREGRANTS@HydroOne.com or
- Call the HR Support Centre at 1-888-942-7547

This guide is provided for information purposes only. The content is not intended to create a contract of any kind. In the event of any inconsistency between this guide and the PWU Represented Employee Share Grant Plan text, the text supersedes.

HYDRO ONE LIMITED
PWU REPRESENTED EMPLOYEE SHARE GRANT PLAN

1. Purpose of Plan

The Hydro One Limited PWU Represented Employee Share Grant Plan (the “**Plan**”) is established pursuant to the negotiated collective agreement with the Power Workers’ Union CUPE Local 1000. Its purpose is to grant to certain eligible employees common shares (the “**Shares**”) of Hydro One Limited (“**Hydro One**”) as compensation for their prior service with Hydro One subsidiaries and is in recognition of the increased level of employee contributions required under the Hydro One Pension Plan effective April 1, 2015.

2. Eligibility

Eligibility to participate in the Plan is limited to each individual (an “**Eligible Employee**”) who, as of April 1, 2015 was:

- (a) a regular employee of Hydro One Inc. or any of its subsidiaries (“**Regular Employee**”);
- (b) an employee, who in their base position, is represented by the Power Workers’ Union CUPE Local 1000; and
- (c) making contributions to the Hydro One Pension Plan by payroll deduction.

The following individuals will be deemed to have met (a) and (c) above as of April 1, 2015:

- (a) a Regular Employee who was on an approved leave of absence on April 1, 2015 and who on or before October 26, 2015 irrevocably elected to make contributions to the Hydro One Pension Plan in respect of the portion of the leave of absence from the date the leave of absence commenced to April 1, 2015 in the form and manner determined by Hydro One Inc.;
- (b) an individual who was a probationary employee, casual trades employee, temporary employee or student employee on April 1, 2015 and who on or before October 26, 2015 became a Regular Employee and irrevocably elected to make contributions to the Hydro One Pension Plan in respect of their service as a probationary employee, casual trades employee, temporary employee or student employee through to April 1, 2015 in the form and manner determined by Hydro One Inc.; or
- (c) a Regular Employee who is in receipt of long term disability benefits and who is deemed to be making contributions to the Hydro One Pension Plan.

Eligibility to receive Share grants will cease on the earliest of (i) April 2, 2028 and (ii) after the grant of Shares on the first Grant Date (as defined below) following the earlier of;

- (a) the date on which the Eligible Employee either has more than 35 years of eligible service under the Hydro One Pension Plan; and

- (b) the latest date currently permitted under the *Income Tax Act* (Canada) and Hydro One practice on which the Eligible Employee must due to the Eligible Employee's age cease contributing to the Hydro One Pension Plan and begin receiving a pension,

provided that in the case of (ii) the final grant amount shall be pro rated based on the number of whole months elapsed from the prior Grant Date to the date in (a) or (b) as applicable.

Participation in the Plan is entirely voluntary and any decision not to participate shall not affect any Eligible Employee's employment with Hydro One or any of its subsidiaries.

3. Annual Grants

Effective on April 1st of each year (each, a "**Grant Date**") starting April 1, 2017, Shares will be granted to each Eligible Employee who, on the relevant Grant Date has been an employee of Hydro One or any of its subsidiaries from April 1, 2015 continuously up to and including the Grant Date. For purposes of this Plan, an individual ceases to be an employee on the date specified by the Eligible Employee's employer acting reasonably (which in the case of resignation shall not be earlier than the date notice of resignation was given), regardless of any period of reasonable notice that the employer may be required by law to provide to the Eligible Employee. Shares granted prior to the date an individual ceases to be an employee, whether by voluntary resignation, dismissal (for cause or without cause), retirement, death or any other reason, are not forfeited as a result of the individual ceasing employment.

The number of Shares granted to any Eligible Employee on any Grant Date shall equal 2.70% of the Eligible Employee's Salary as of April 1, 2015 (including retroactive adjustments to April 1, 2015 which are in effect on the date the Eligible Employee is sent written notice of his/her right to receive Shares under this Plan), divided by \$20.50, being the price at which the Province of Ontario has agreed to sell the Shares to the underwriters as reflected in the final prospectus of the initial public offering of Hydro One, rounded (up or down) to nearest tenth of a Share (subject to pro ration pursuant to Section 2). Shares granted under the Plan will be newly-issued Shares and are fully vested upon grant.

"Salary" means the regular gross annual salary paid to an Eligible Employee by Hydro One or any of its subsidiaries, inclusive of step progressions (for those on rotations outside their base position and have a base position step progression anniversary while on rotation) and exclusive of any overtime pay, commissions, bonuses or allowances of any kind whatsoever. Notwithstanding the foregoing, for an Eligible Employee who is listed in the Statement of Settlement between the Company and the Power Workers' Union CUPE Local 1000 dated October 29, 2015, "Salary" means the regular gross pay exclusive of overtime pay that the Eligible Employee would have been paid based upon the job classification and wage rate indicated in the Statement of Settlement. For an Eligible Employee who is in receipt of long-term disability benefits on April 1, 2015, "Salary" means the base earnings determined under subrule 15(1a) of the Hydro One Pension Plan. For an Eligible Employee who is on an approved leave of absence on April 1, 2015, "Salary" shall be determined as if the Eligible Employee was actively at work on April 1, 2015. For an Eligible Employee who was a probationary employee, casual trades employee, temporary employee or student employee on April 1, 2015, "Salary" means the base earnings determined under subrule 16c(1) of the Hydro One Pension Plan.

The number of Shares to be granted on any Grant Date and the limit on the number of Shares issuable under the Plan in Section 11 shall be adjusted in the event that after completion of Hydro One's initial public offering the Shares of Hydro One are split, consolidated or reclassified, or in the event that there is a declaration of a special dividend or a dividend payable in shares (other than a Share dividend paid in lieu of ordinary cash dividends), or in the event of an amalgamation, combination, arrangement, merger or

other transaction or reorganization involving Hydro One after completion of Hydro One's initial public offering, in order to prevent dilution or enlargement of the Share grants under this Plan.

4. Administrative Agent

Hydro One has appointed an administrative agent (“**Administrative Agent**”) to hold Shares on behalf of Eligible Employees. The Administrative Agent shall establish and maintain a separate account in the name of each Eligible Employee who has been granted Shares and shall record in each such account all Shares which have been granted. Although the Administrative Agent holds Shares on behalf of Eligible Employees, the Eligible Employee is the actual and beneficial owner of the Shares.

Share certificates representing the aggregate holdings beneficially owned by all Eligible Employees participating in the Plan shall be registered in the name of the Administrative Agent or its nominee and shall be held by the Administrative Agent or its nominee on behalf of, and as agent for, each such Eligible Employee until withdrawn or sold in accordance with the terms of this Plan.

Hydro One may change the Administrative Agent and has sole discretion on the selection of the Administrative Agent.

5. Voting of Shares

The Administrative Agent shall deliver to Eligible Employees for whom it holds Shares all notices of meetings and proxy materials distributed by Hydro One to its shareholders. The whole number of Shares in each Eligible Employee's account will be voted in accordance with instructions given to the Administrative Agent by the Eligible Employee. Instructions by an Eligible Employee to the Administrative Agent shall be in such form and delivered pursuant to such regulations as the Administrative Agent may prescribe, and any such instructions to the Administrative Agent shall remain in the strict confidence of the Administrative Agent. If the Administrative Agent does not receive timely and proper instructions from an Eligible Employee regarding the voting of Shares in the Eligible Employee's account, such Shares shall not be voted.

6. Deposit of Shares into Issuer Bids and Take-Over Bids

The Administrative Agent shall not tender or deposit Shares held on behalf of an Eligible Employee to any issuer bid, take-over bid or other transaction (other than pursuant to a compulsory exchange or acquisition) except in accordance with the instructions given to the Administrative Agent in writing by the Eligible Employee.

7. Dividends and Warrants, Options and Other Rights Respecting Shares

Cash dividends net of applicable tax and other withholdings received by the Administrative Agent on Shares held on behalf of an Eligible Employee shall be invested by the Administrative Agent in Shares in accordance with Section 8 and credited to Eligible Employee accounts. Share dividends received by the Administrative Agent on behalf of Eligible Employees will be credited to the Eligible Employees' accounts. Hydro One has no obligation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

All warrants, options or rights received by the Administrative Agent on Shares held on behalf of Eligible Employees shall be sold by the Administrative Agent on behalf of the Eligible Employees. The proceeds from the sale of any options, rights or warrants shall be used to purchase additional Shares which shall be

invested by the Administrative Agent in Shares in accordance with Section 8 and credited to Eligible Employees' accounts.

8. Reinvestment of Dividends and Other Amounts

As soon as practicable after determining the aggregate amount of cash available for reinvestment net of applicable taxes, if any, the Administrative Agent shall use such net amount to purchase, as agent for the Eligible Employees for whom the Administrative Agent holds Shares and not as principal, the largest number of whole Shares which may be purchased with such aggregate sum. Such Shares shall be purchased on the market in the name of the Administrative Agent or its nominee through a member firm of a stock exchange on which the Shares are listed at prevailing market prices. The Administrative Agent will allocate purchased Shares (including fractional Shares) to the accounts of the Eligible Employees promptly after all the Shares have been purchased.

The Administrative Agent, may advise its broker to, in its discretion, acting reasonably, limit the daily volume of purchases of Shares or cause such purchases to be made over several trading days to the extent that such action is deemed by it to be necessary to avoid disrupting the market price for the Shares or otherwise be in the best interests of Hydro One.

9. Sale or Withdrawal of Shares

Shares granted pursuant to Section 3 are not eligible for withdrawal until after the second anniversary of the relevant Grant Date for such shares. Shares in an Eligible Employee's account which were acquired by the Administrative Agent on behalf of the Eligible Employee pursuant to Sections 7 and 8 are eligible for withdrawal at any time.

Notwithstanding any other provision of this Section 9, at any time, an Eligible Employee may, using a form prescribed by the Administrative Agent, direct the Administrative Agent to sell as agent for and on behalf of the Eligible Employee all whole Shares or any number of whole Shares in the Eligible Employee's account. The Administrative Agent shall comply forthwith with such direction and the proceeds of disposition for such Shares (net of applicable taxes and other withholdings and transaction and brokerage costs) will be distributed to the Eligible Employee within thirty (30) days after such disposition. The Eligible Employee shall be responsible for the transaction and brokerage costs incurred by the Administrative Agent in selling Shares on behalf of the Eligible Employee and the Eligible Employee authorizes the Administrative Agent to deduct such costs from the proceeds of sale to be distributed to the Eligible Employee.

At any time, an Eligible Employee may, using a form prescribed by the Administrative Agent, make a request to withdraw all whole Shares or any number of whole Shares which are eligible for withdrawal in the Eligible Employee's account. Following such request, the Administrative Agent shall, as directed, either (a) issue, or cause to be issued, to such Eligible Employee, an individual Share certificate registered in the name of that Eligible Employee, or (b) effect an electronic transfer to a brokerage account in the name of the Eligible Employee, covering all the withdrawn Shares. Any costs associated with the issuance of Share certificates or facilitating electronic broker transfers will be borne by the Eligible Employee.

An Eligible Employee or former Eligible Employee must, upon any subsequent sale or disposition (including a deemed disposition under the *Income Tax Act* (Canada)) of withdrawn Shares granted pursuant to Section 3, promptly give notice of such sale or disposition to the Hydro One department designated for such purpose by Hydro One from time to time.

A direction to sell or request to withdraw Shares will only apply to Shares already credited to the Eligible Employee's account at the time the request is made. For clarity, Eligible Employees may not provide standing instructions requesting that their annual grant Shares be sold or certificated or electronically transferred to a brokerage account, but must submit a new direction or request after Shares have been credited to the Eligible Employee's account.

At any time following the earlier of (i) the death of the Eligible Employee and (ii) the date all Shares in the Eligible Employee's account have become eligible for withdrawal, Hydro One may give notice to the Eligible Employee (or his or her executors or administrators) requesting that the Eligible Employee sell and/or request the withdrawal of all whole Shares in the Eligible Employee's account. If the Eligible Employee has not given a direction to sell and/or request to withdraw Shares to the Administrative Agent for all whole Shares in the Eligible Employee's account within six months of receiving such notice, the Eligible Employee or his or her executors or administrators shall be deemed to have directed the Administrative Agent that all Shares in the Eligible Employee's account be sold for and on behalf of the Eligible Employee.

In the event that an Eligible Employee is no longer eligible to receive grants of Shares pursuant to Section 3 and has withdrawn or sold all whole Shares in the Eligible Employee's account, the Administrative Agent will issue to the Eligible Employee a cheque for the fair value, as reasonably determined by the Administrative Agent, of any fractional Share remaining in the Eligible Employee's account.

10. Administrative Expenses

Except as set out in Section 9, all costs and expenses of administering the Plan and the reinvestment of dividends, including the Administrative Agent's compensation, will be paid by Hydro One.

11. Shares Issuable Under the Plan

The number of Shares issuable under this Plan shall not exceed 3,981,763 Shares, as adjusted in accordance with Section 3. Hydro One shall reserve and set aside sufficient Shares to satisfy its obligations under this Plan.

12. Withholdings

If at any time Hydro One determines, in its discretion, acting reasonably, that the satisfaction of withholding tax or other withholding liabilities is necessary in connection with any grant, Hydro One may require that an Eligible Employee pay to Hydro One or one of its subsidiaries the minimum amount required to be remitted prior to the delivery of Shares in connection with such grant. Alternatively, and subject to any requirements or limitations under applicable law, Hydro One may (a) withhold such amount from any remuneration or other amount payable by it or any of its subsidiaries to the Eligible Employee, (b) require the sale of a number of Shares issued and the remittance to Hydro One of the net proceeds from such sale sufficient to satisfy such amount or (c) enter into other suitable arrangements for the receipt of such amount.

13. Amendments

The board of directors of Hydro One may amend the Plan at any time without shareholder approval, provided however that shareholder approval will be required for the following amendments to the Plan:

- (a) any increase in the number of Shares reserved for issuance under the Plan;

- (b) an amendment to the definition of “Eligible Employee” that would permit the inclusion of non-employee directors;
- (c) an amendment to permit equity-based awards other than grants of Shares to be made under the Plan; and
- (d) an amendment to the provisions of this Section 13 respecting matters requiring shareholder approval other than the addition of matters to be subject to shareholder approval.

No amendment to the Plan may prejudice the right any Eligible Employee to be granted Shares under the Plan without the consent of the Eligible Employee. No amendment to the Plan may be made without the consent of the Power Workers’ Union CUPE Local 1000.

14. Termination

This Plan shall automatically terminate, following the day upon which all Shares granted under the Plan have been withdrawn by Eligible Employees or sold for and on behalf of Eligible Employees and the net proceeds distributed to the Eligible Employees.

15. General

- (a) Eligible Employees shall cooperate with Hydro One in complying with any applicable legislation or the rules and regulations of any applicable stock exchange.
- (b) No amount will be paid to, or in respect of, an Eligible Employee under the Plan to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Employee for such purpose.
- (c) No Eligible Employee has any rights as a shareholder of Hydro One in respect of any Shares to be granted under the Plan until the Shares have been allotted and issued to, or for the account of, such Eligible Employee.
- (d) Each Eligible Employee shall provide Hydro One with all information (including personal information) required by Hydro One in order to administer the Plan. Hydro One shall require that the Administrative Agent not use the personal information it receives in connection with this Plan except for purposes of the administration of this Plan and the performance of its obligations as Administrative Agent and to maintain procedures and security safeguards over such personal information with the same level of protection it affords to others for whom it performs employee compensation plan administrative services. Each Eligible Employee acknowledges that information required by Hydro One in order to administer the Plan may be disclosed to the Administrative Agent and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Eligible Employee’s jurisdiction of residence), in connection with the administration of the Plan. Each Eligible Employee consents to such disclosure and authorizes Hydro One to make such disclosure on the Eligible Employee’s behalf.
- (e) The existence of this Plan does not affect in any way the right or power of Hydro One or its shareholders to make, authorize or determine any change in Hydro One’s capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving Hydro One, to create or issue any debt instruments, Shares or other securities of

Hydro One or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of Hydro One or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether or not any action referred to in this subsection would have an adverse effect on this Plan or on any Share granted hereunder.

- (f) The Plan shall enure to the benefit of and be binding upon Hydro One, its successors and assigns. The interest of any Eligible Employee under the Plan shall not be transferable, assignable or alienable by him or her either by pledge, assignment or in any manner whatsoever.
- (g) Neither this Plan nor any action taken hereunder shall interfere with the right of the employer of any Eligible Employee to terminate such person's employment at any time.
- (h) Hydro One may from time to time establish procedures for (i) the electronic delivery of any documents that Hydro One may elect to deliver (including, but not limited to, plan documents, grant notices and all other forms of communications) in connection with any grant made under the Plan, (ii) the receipt of electronic instructions from Eligible Employees and/or (iii) an electronic signature system for delivery and acceptance of any such documents. Compliance with such procedures shall satisfy any requirement to provide documents in writing and/or for a document to be signed or executed.
- (i) This Plan and any Shares granted hereunder shall be governed and construed in accordance with the laws of the Province of Ontario. Hydro One and each Eligible Employee irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan.

1 **Response:**

2 a) Please see the table below.

3

		2017	2018	2019	2020	2021	2022
PWU							
Forecasted Maximum Stock Based Compensation Costs (Cash)	A	4.0	4.1	4.1	3.9	3.6	3.4
Projected Pension Cost Savings (Cash)	B	5.8	7.7	7.7	7.5	7.2	7.2
Savings	B less A	1.8	3.5	3.6	3.6	3.6	3.8
Society							
Forecasted Maximum Stock Based Compensation Costs (Cash)	A	0.0	1.5	1.4	1.4	1.3	1.2
Forecasted Lump-sum salary payout	B	1.5	0.0	0.0	0.0	0.0	0.0
Projected Pension Cost Savings (Cash)	C	1.5	2.8	3.7	3.7	3.6	3.6
Savings	C less (A + B)	0.0	1.3	2.3	2.3	2.3	2.4
MCP							
Projected Pension Cost Savings (Cash)	B	0.5	0.5	0.6	0.7	0.7	0.9
	B less A	0.5	0.5	0.6	0.7	0.7	0.9
Net Pension Cost Savings (Cash)		2.3	5.3	6.4	6.6	6.6	7.1

4

5

6 b) The resulting pension cost reductions are reflected in the cost forecasts in this Application.
 7 The 2015 collective bargaining round that resulted in the introduction of share grant
 8 compensation and increased employee pension contributions was part of a complex set of
 9 negotiations facilitated by the government. These negotiations were further complicated by
 10 having Sector bargaining for key issues involving OPG and also local bargaining committees
 11 which negotiated local issues.

12

13 c) Please refer to part d) of Exhibit I-40-SEP-14.

1 **Canadian Manufacturers & Exporters Interrogatory # 34**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01-04

10
11 **Interrogatory:**

12 Hydro One has produced a 2017 Hydro One Team scorecard for execution and performance
13 which is used to provide short term incentive pay to MCP employees.

- 14
15 a) Please provide a copy of the short-term incentive program policy.
16
17 b) Please provide the 2018 version of the Hydro One Team Scorecard.
18
19 c) Please provide the percentage of eligible employees who received a STIP payment and the
20 average amount of STIP payment to MCP employees.

21
22 **Response:**

- 23 a) Please see Attachment 1.
24
25 b) The 2018 Hydro One Team Scorecard is not yet finalized.
26
27 c) For performance year 2016 (STIP paid in 2017), all eligible MCP employees received an
28 STIP payment. The average STIP amount was \$28,346. The average STIP amount for
29 employees below the Executive Vice President level was \$24,896.



SHORT TERM INCENTIVE PLAN

EMPLOYEE GUIDE

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INTRODUCTION

The purpose of this guide is to provide an overview of how Hydro One's Short Term Incentive Plan (STIP) works.

HYDRO ONE'S STIP PHILOSOPHY

In order to achieve the company's strategic objectives, Hydro One and its subsidiaries (collectively, "Hydro One" or the "Company") must have the ability to attract, retain, and motivate highly skilled talent. The STIP is a key component of Hydro One's competitive compensation package and designed to reward employees for achieving annual objectives aligned with our corporate priorities.

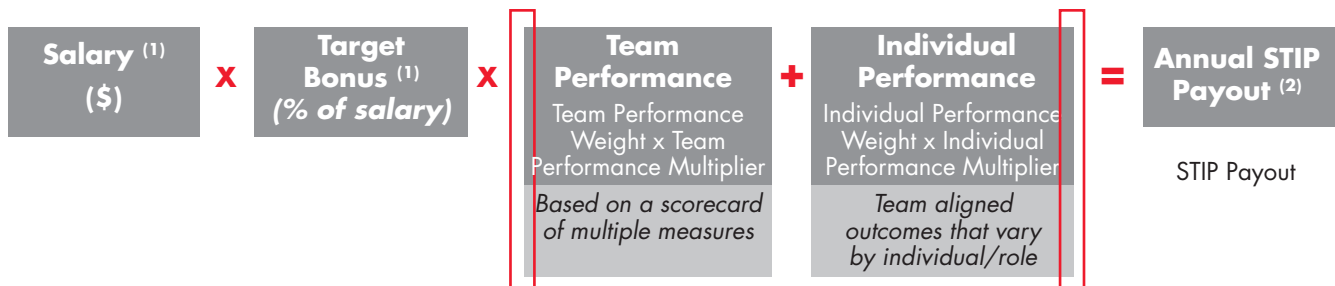
ELIGIBILITY

All regular management and non-represented employees who have worked at least 3 months during the fiscal year are eligible for the STIP. Exceptional circumstances may be considered on a case by case basis and require approval of the EVP and Chief Human Resources Officer.



STIP CALCULATION

Hydro One's STIP provides an annual incentive payout based on individual and team (corporate) performance, against pre-determined goals and measures. The STIP payout is calculated based on the following formula. Each of the elements of the calculation is described in more detail on the following pages.



(1) STIP payout will be prorated to reflect changes in annual salary and STIP Target during the year (e.g. merit, promotion)

(2) No STIP payout (team or individual components) will be made if the Individual Performance Rating is Did Not Meet Expectations

SALARY

Your annual salary is used to calculate your STIP payout and will be prorated to reflect any salary changes, such as a merit or promotional increases, during the year. For employees who are on rotations, *Home base* salary is used for the STIP calculation. This means *step-up* pay received for relief or rotational assignments is not factored into the STIP payout.

TARGET BONUS

Your target bonus, expressed as a percentage of your salary, is based on the level/band of your role. All jobs have been categorized into levels/bands based on function, scope, complexity and contribution to the organization. The target bonus increases by level/band. Similar to salary, the target bonus used in your STIP payout will be prorated to reflect any changes in target bonus during the year. The following table outlines the target bonus by level/band.

Level/Band	Target Bonus (% of salary)
Director (Band 5)	20%
Senior Manager/Superintendent (Band 6)	15%
Manager/Professional (Band 7)	10%
Administrative/Support Roles (Band 8 – 9)	7%
Administrative Roles (Band10)	5%

TEAM PERFORMANCE MULTIPLIER

The Team Performance Multiplier is a reflection of the Company's performance results against the Team Scorecard measures approved by the Board at the beginning of each year. Team performance generally includes measures such as: Health & Safety, Work Program, Net Income, Customer and Productivity. The Company's performance relative to these measures will be assessed against its threshold, target (budget) and maximum metrics approved annually by the Board of Directors. Results will be interpolated between performance levels. The Team Performance Multiplier may range from 0 to 200% based on the degree to which the Company achieves its performance measures, as approved by the Board of Directors following the approval of the Company's annual financials.

INDIVIDUAL PERFORMANCE MULTIPLIER

Your Individual Performance Multiplier is based on your achievement as measured against the 3 to 4 SMART performance goals you set with your manager early in the year, as well as your manager's assessment of how you live the Company's corporate values.

You will define your performance levels with your manager by establishing the threshold, target (budget), and maximum potential performance outcomes for these goals. A performance rating is determined based on your manager's assessment of your performance relative to these metrics, including alignment with Hydro One's corporate values. A Calculated Performance Rating is determined based on the weighted average of the performance ratings assigned by your manager.

Based on this Calculated Performance Rating, your manager then assigns a specific Individual Performance Multiplier that falls within the appropriate ranges identified in the table below. The Individual Performance Multiplier can range from 0 to 200%.

The Individual Performance Rating is reviewed and calibrated by the Manager Once Removed (MoR).

Calculated Performance Rating	Individual Performance Rating	Individual Performance Multiplier Range
0.00 - 1.49	Did not meet expectations	0%
1.50 - 2.49	Meets most but not all expectations	50 - 74%
2.50 - 3.49	Meets expectations	75 - 124%
3.50 - 4.49	Exceeds expectations	125 - 149%
4.50 - 5.00	Significantly exceeds expectations	150 - 200%

No STIP payout (i.e. neither the team nor individual components) will be made in the event of a Calculated Performance Rating between 0 – 1.49 (i.e. Did not meet expectations rating).

TEAM AND INDIVIDUAL PERFORMANCE WEIGHTING

Team and Individual Performance are weighted by level/band as part of the STIP calculation. The Team Performance Weight increases by level/band reflecting the greater influence more senior roles have on overall team results.

Level/Band	Team Performance Weight	Individual Performance Weight
Director (Band 5)	70%	30%
Senior Manager/Superintendent (Band 6)		
Manager/Professional (Band 7)		
Administrative/Support Roles (Band 8 – 9)	50%	50%
Administrative Roles (Band 10)		

EXAMPLE

An example STIP payout calculation for a Manager (Band 7) with a salary of \$100,000, 10% Target Bonus, 105% Team Performance Multiplier and 100% Individual Performance Multiplier (i.e. Calculated Rating between 2.50 – 3.49 reflecting Meets Expectations) follows.



STIP PAYOUT

Your STIP payout, less pension contributions and statutory deductions, generally occurs within 90 days of the fiscal year end, following approval by the Board of Directors.

All or a portion of your STIP payout may be included in pensionable earnings, depending on whether you participate in the defined benefit or defined contribution pension plan. Under the defined benefit pension plan, 50% of your STIP payout is included as pensionable earnings, subject to maximum pensionable earnings of \$350,000. Under the defined contribution pension plan, 100% of your STIP payout is included as pensionable earnings, subject to a maximum of 50% of your base salary.

EMPLOYEE LIFE EVENTS

During the normal course of an employee's career certain life events may occur. This section outlines how STIP will be treated in these cases. For life events not covered below, Hydro One will base its treatment of STIP on its administrative practices or the intent for which the plan was designed. Hydro One's fiscal year is January 1st to December 31st.

New Hire

If you start your employment part way through the year, your STIP payout will be prorated based on the days you worked during the fiscal year.

If you start between October 1st and December 31st, you will not be eligible to participate in STIP for that fiscal year.

Change of Position/Salary Changes

If you move positions within management and non-represented roles, your STIP payout will be prorated to reflect the number of days you work in each position and the appropriate targets and team and individual performance weightings for each position.

If you accept a represented position at any time during the fiscal year, your STIP will be forfeited.

Leave of Absence

If you take a leave of absence, your STIP payout will be pro-rated for the number of days you work within the fiscal year.

For Employment Insurance eligible leaves, you may elect deferral of your STIP payout so as not to interrupt your EI benefits.

Leaving Hydro One

In the event you choose to leave Hydro One, your STIP will be treated according to the circumstances under which you leave.

Resignation

If you resign during the fiscal year, your STIP payout will be forfeited. If you leave following the fiscal year end but before the payout date for the previous year, you will continue to be eligible for your STIP payout.

Retirement or Termination after Retirement Eligible with Defined Benefit Pension Commuted Value

If you retire (by either by taking a defined benefit pension or by meeting the minimum age under the Hydro One's defined contribution pension plan) or terminate and take the commuted value of your defined benefit pension once you are retirement eligible, your STIP will be pro-rated based on the number of days your worked in the year, provided you worked a minimum of 3 months in the fiscal year. If you retire following the fiscal year end but before the payout date for the previous year, you will continue to be eligible for your STIP payout.

Death

Should you die while actively employed with Hydro One, any STIP payouts for the fiscal year of your death will be prorated for the number of days you worked during the fiscal year, provided you worked a minimum of 3 months.

CONTACTS

- Please contact your HR Consultant if you have any questions.

TERMS AND CONDITIONS

- This guide supersedes and replaces any previous communications relating to STIP, and may be superseded by future documents at Hydro One's sole discretion.
- No employee has any right to or entitlement to any STIP payout. There is no guarantee of any STIP payout or any portion thereof within any particular year. Receipt of an STIP payout in a previous year does not guarantee or entitle you to a payout in the present year or in any future year.
- The STIP exists at the Company's sole discretion. The Company has the authority to administer, interpret or amend the terms of the STIP including but not limited to the payout amounts and/or terminate the STIP.
- Eligibility for STIP should not be interpreted as a right to employment.
- The STIP is governed by the applicable provincial and federal law.

This guide is intended to provide information regarding the STIP including the terms and conditions. In the event of an error, omission or discrepancy, Hydro One reserves the right to interpret or apply the Plan in accordance with its administrative practices or the intent for which the STIP was designed.

1 **Energy Probe Research Foundation Interrogatory # 55**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 B1-01-01 Section 1.4 Page: 3

10
11 **Interrogatory:**

12 What percentage of Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP)
13 payments are based on scorecard-based performance?

14
15 **Response:**

16 **STIP**

17

Level	Team Performance Weight	Individual Performance Weight
Vice President to CEO	80%	20%
Director, Senior Manager, Manager	70%	30%
Administrative Support Roles	50%	50%

18
19 **LTIP**

20
21 LTIP rewards are indirectly tied to the scorecard since the LTIP Plan aims to:

- 22
- 23 • reward long-term value creation;
 - 24 • support the achievement of objectives that lead to long-term value creation; and
 - 25 • encourage teamwork.

26 The LTIP is made up of Restricted Share Units (RSUs) and Performance Share Units (PSUs).
27 RSUs are units that convert into Hydro One shares after they vest at the end of a three-year
28 period. PSUs are similar to RSUs, but vest according to the achievement of corporate
29 performance goals. The mix between these vehicles becomes increasingly performance-based at
30 the Vice President level and above. In 2018, the LTIP grant for director-level roles will also
31 include PSUs.

Witness: MCDONELL Keith

Filed: 2018-02-12
EB-2017-0049
Exhibit I
Tab 40
Schedule EnergyProbe-55
Page 2 of 2

2017 LTIP Mix Between RSUs & PSUs by Level		
Level	Performance Share Units	Restricted Share units
Vice President to CEO	60%	40%
Director	0%	100%

1

Witness: MCDONELL Keith

1 **Energy Probe Research Foundation Interrogatory # 56**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01 Page: 22-23

10
11 **Interrogatory:**

12 Have 2017 STIP and LTIP compensation payments been determined? If they have what
13 percentages of employees in each eligible group received the maximum payment, above average
14 payment, average payment, and below average payment?

15
16 **Response:**

17 The 2017 STIP a compensation payments has not been finalized. Hydro One has a robust
18 calibration process to ensure there is a normalized performance distribution.

19
20 The 2017 LTIP grants (with a three-year vesting period) were awarded to all vice-presidents and
21 above and 44% of directors. All directors received the same size LTIP grant as a percentage of
22 salary. The grant size for vice presidents and senior vice presidents (as a percentage of salary)
23 was fairly consistent based on level.

1 **Energy Probe Research Foundation Interrogatory # 57**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 B1-01-01 Section 1.4 Page: 6-9

10
11 **Interrogatory:**

12 Please breakdown the Operational Effectiveness measures by rate class (UR, R1 and R2)? The
13 measures we are most interested in are: Pole Replacement, Vegetation Management, OM&A per
14 Customer and OM&A expense per km of Line.

15
16 **Response:**

17 Operational Effectiveness measures are not defined and cannot be catalogued by rate class.

1 **Energy Probe Research Foundation Interrogatory # 58**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 A-03-01 Page: 31

10
11 **Interrogatory:**

12 Please explain why “higher than forecast spending on trouble calls” would increase rate base. Is
13 response to trouble calls treated as capital or OM&A? Please explain.

14
15 **Response:**

16 A trouble call is defined as outage restoration work that is not classified as major event, nor force
17 majeure. This type of work would have both OM&A and capital elements. The amounts
18 included in rate base would include the capitalized portion of trouble calls which is based on
19 capital components replaced.

1 **Power Workers' Union Interrogatory # 25**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
9 showing efficiency and value for dollar associated with its compensation costs (excluding
10 executive compensation)?

11
12 **Reference:**

13 C1-02-01 Page: 30

14
15 Increased resourcing flexibility was achieved by negotiating enhancements to utilize temporary
16 employees longer and to contract out more work. Hydro One annually performs approximately
17 200,000 cable locates and by contracting out this work, unit costs have dropped from \$107.00 to
18 \$56.00;

19
20 **Interrogatory:**

21 a) Please provide the dollar value of cost savings attributable to increased resourcing flexibility.

22
23 **Response:**

24 a) Hydro One has not quantified the dollar value of cost savings attributable to increased
25 resourcing flexibility. Expected savings from Cable Locate Outsourcing are quantified in
26 Exhibit I-25-Staff-123.

1 **Power Workers' Union Interrogatory # 26**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
9 showing efficiency and value for dollar associated with its compensation costs (excluding
10 executive compensation)?

11
12 **Reference:**

13 C1-02-01 Page: 29-30

14
15 Pension costs were reduced by increasing employee pension contributions and reducing future
16 pension benefits. In addition to advancing the progression to a 50-50 cost-sharing for pension
17 benefits, it is also significant in that the increase in pension contributions more than offsets the
18 costs of the share grant program for both unions.

19
20 Favourable future pension service benefit accrual impacts for active employees and new hires
21 pensions including:

- 22 - increased early retirement eligibility rule of 85 (up from 82) commencing in 2025; and
23 - adjustment to number of years for final average earnings from 3 to 5 years commencing in
24 2025.

25
26 **Interrogatory:**

27 a) Please provide the pension cost savings arising from increased employee pension
28 contributions.

29
30 b) Please provide an estimate of future savings arising from the move to the Rule of 85 and
31 adjustment to the final average earnings calculation.

32
33 **Response:**

34 a) Please refer to Exhibit I-40-PWU-35.

- 1 b) There would be a forecasted annual savings of approximately 1.7% of payroll, starting in
- 2 2025, from changing the unreduced pension threshold to R85 points and the final average
- 3 earnings period to five years for PWU and Legacy Society represented employees. This
- 4 estimation depends heavily on the demographics of the participants of the group at the time
- 5 of these changes.

Power Workers' Union Interrogatory # 27

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

C1-02-01 Page: 33

Appendix B provides actual total compensation cost for Hydro One Distribution for 2014 to 2016 and forecast total compensation cost for bridge year 2017 and test years 2018 to 2022. Over the test period, total compensation for the Distribution business increases by 2.5%. In light of the increasing Distribution work program, Hydro One believes that this modest increase in compensation cost is reasonable and reflective of improving productivity.

C1-02-01 Page: 48 Appendix B

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Dx Compensation	628,687,087	625,297,510	639,004,626	606,748,484	637,778,506	642,530,718	631,275,350	616,248,742	622,009,219

Interrogatory:

- a) Please confirm that total distribution compensation decreases by 2.5% over the test years.
- b) Please confirm that compensation in 2017 is anomalously low. Why is compensation considerably lower in 2017?

Response:

- a) Confirmed.
- b) Compensation in 2017 was anomalously low as a result of a lower pension burden and a lower than norm compensation allocation to Hydro One's distribution business.

Power Workers' Union Interrogatory # 28

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Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

C1-02-01 Page: 41

Table 12 illustrates that the PLM rate at Hydro One ranges from being slightly below to slightly above other LDCs in Ontario. Despite the rates being very close, the type of work and skills required at Hydro One are often more complex. Hydro One employees often work in a more rural setting than their counterparts in other LDCs. As a consequence, Hydro One employees can work in conditions and with equipment not normally required at other LDCs. Trades employees working on lines maintenance often work on both Distribution and Transmission assets and are required to be knowledgeable and proficient with overhead, underground and submarine cable. Again, this is not typical of the PLM role at other Ontario LDCs.

C1-02-01-05 Page: 9 (Mercer's Compensation Benchmarking Study – List of peers)

Interrogatory:

- a) What share of Hydro One employees work on both transmission and distribution assets?
- b) Which, if any, members of the Mercer peer benchmarking group have employees that work on both transmission and distribution assets?
- c) Please explain the benefit of employing workers with the ability to work on both transmission and distribution assets within the context of Hydro One's overall compensation strategy.

1 **Response:**

2 a) Given the variety of roles within Hydro One Networks, it is difficult to provide a specific
3 percentage of employees who work on both Distribution and Transmission assets. As
4 examples, the following shows the percentage of employees who work on both Transmission
5 and Distribution Assets:

- 6
- 7 • 100% of the Controllers at the OGCC
 - 8 • 22% of the Regional Maintainer – Lines in the northern zones
 - 9 • 100% of Regional Fleet Mechanics
 - 10 • Over 70% of the Regional Maintainer- Electrical
- 11

12 b) Controllers, Regional Maintainer Lines (Supervisors), Regional Maintainer – Lines, Regional
13 Maintainer – Electrical, Fleet Mechanic, Lineman, Service Dispatcher, Drafter, Stockkeeper,
14 Electrical Apprentice, Lines Apprentice.

15

16 c) Having the flexibility to use employees on both assets will restrain Hydro One's
17 compensation costs by reducing the need for additional resources and temporary work head
18 quarter expenses.

1 **Power Workers' Union Interrogatory # 29**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
9 showing efficiency and value for dollar associated with its compensation costs (excluding
10 executive compensation)?
11

12 **Reference:**

13 C1-02-01 Page: 33
14

15 Hydro One has assumed base salary increases of 2% for MCP staff over the Custom IR period.
16 Annual base salary increases of 1% have been assumed for PWU staff and casual construction
17 staff from 2018 onwards. Increases of 0.5 % have been assumed for Society staff from 2019
18 onwards.
19

20 C1-02-01-05 Page: 29
21

22 Other Actuarial Assumptions:

23 ...

24 - Salary Increase: 4.00% per annum
25

26 **Interrogatory:**

27 a) Why is the annual salary increase used in the Mercer study assumed to be 4% when Hydro
28 One's assumed base salary increases range from 0.5% to 2%?
29

30 b) Generally, what would be the impact on the study's results if an increase of 1%, as assumed
31 for PWU represented workers, is used instead?
32

33 **Response:**

34 a) For clarity, the 4% assumed salary increase was an actuarial assumption for pension and
35 benefit valuation. Mercer's assumption is based on a long term estimate and reflects both
36 inflation and increases in steps in the unionized employee pay scale. In general, these
37 assumptions are set to be greater than the expected increase in the YMPE (3% at the time of

Witness: MCDONELL Keith

- 1 the study) to reflect the impact of merit increases beyond just inflation and
2 productivity. While changing the salary scale assumption may affect the compensation
3 dollar value, it has a similar impact on all other defined benefit plans, and thus the relative
4 positioning does not materially change.
5
6 b) Please refer to a). A one percent actuarial assumption would be applied to all the peer group
7 members so the relative positioning would not change.

Power Workers' Union Interrogatory # 30

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

C1-02-01 Page: 49-50 Appendix C

PWU REPRESENTED POSITIONS					Regional Field Mechanic/Transport & Work Equipment Mechanic				
	1999	2013	2017	% Change					
Mechanical Maintainer/Regional Maintainer - Mechanical					Hydro One	\$26.20	\$39.43	\$42.08	61%
Hydro One	\$28.23	\$42.48	\$45.32	61%	OPG	\$26.20	\$50.08	\$53.01	102%
OPG	\$29.08	\$50.08	\$53.01	82%	Bruce Power	\$26.20	\$49.71	\$54.33	107%
Bruce Power	\$29.08	\$57.10	\$62.41	115%	Stockkeeper				
Shift Control Technician/Regional Maintainer - Electrical					Hydro One	\$23.27	\$36.75	\$39.21	69%
Hydro One	\$28.23	\$42.48	\$45.32	61%	OPG	\$23.27	\$38.95	\$41.23	77%
OPG	\$30.31	\$50.08	\$53.01	75%	Bruce Power	\$23.27	\$44.88	\$49.06	111%
Bruce Power	\$30.31	\$57.27	\$62.60	107%	Labourer				
Clerical - Grade 56 (based on a 35-hour work week)					Hydro One	\$19.03	\$28.63	\$30.54	60%
Hydro One	\$21.46	\$32.30	\$34.46	61%	OPG	\$19.03	\$38.95	\$41.23	117%
Bruce Power	\$21.46	\$35.59	\$39.87	86%	Bruce Power	\$19.03	\$44.88	\$49.06	158%
Clerical - Grade 58 (based on a 35-hour work week)					Hydro One	\$24.20	\$36.42	\$38.85	61%
Hydro One	\$24.20	\$36.42	\$38.85	61%	OPG	\$24.20	\$38.95	\$41.23	70%
OPG	\$24.20	\$38.95	\$41.23	70%	Bruce Power	\$24.20	\$40.13	\$44.96	86%
Bruce Power	\$24.20	\$40.13	\$44.96	86%					

1 **Interrogatory:**

2 a) Please provide the number of FTEs (and/or employees) for each of the seven listed PWU
3 represented positions.

4

5 **Response:**

6 a)

PWU Classifications	Count
Labourer	1
PWU Grade 56	21
PWU Grade 58	170
Regional Field Mechanic JP	73
Regional Maintainer 1 - Elect	169
Regional Mntnr I - Mechanical	12
Stock keeper	47
Grand Total	493

Power Workers' Union Interrogatory # 31

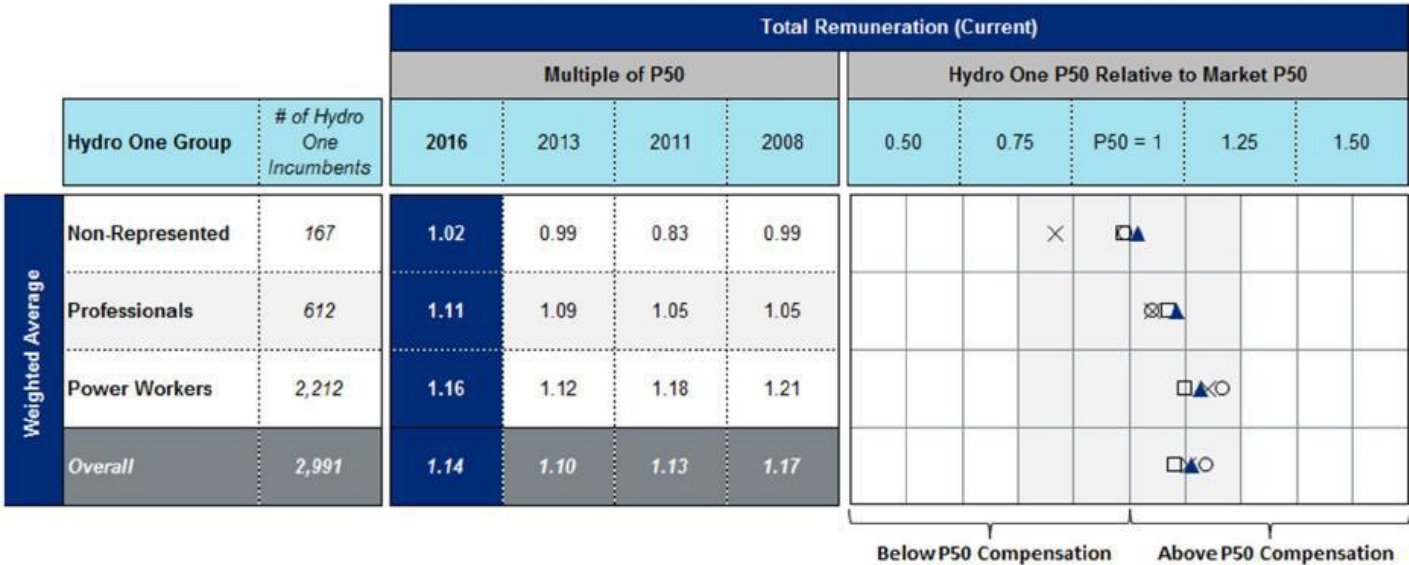
Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

C1-02-01-05 Page: 13



1 **Interrogatory:**

- 2 a) Please provide the trend in the market median from 2013 to 2016 for both the PWU group
3 and overall.
4
5 b) Please provide the results for 2013 and 2016 that exclude comparators that are not present in
6 both years.

7
8 **Response:**

- 9 a) The market median from 2013 to 2016 for the PWU group and overall (all three Hydro One
10 groups) has increased on average.
11
12 b) While Mercer can conduct an analysis to determine what the impact on the 2013 and 2016
13 results would be if comparators not included in both years were excluded, Mercer does not
14 believe this newly created peer group will be a relevant comparator market for Hydro One. It
15 would be excluding organizations that have been identified as key comparators to Hydro
16 One, thus not fully capturing Hydro One's talent market. Also, excluding these organizations
17 will reduce the sample size and potentially result in insufficient data to report on some
18 benchmark positions.

1 **Power Workers' Union Interrogatory # 32**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
9 showing efficiency and value for dollar associated with its compensation costs (excluding
10 executive compensation)?
11

12 **Reference:**

13 C1-02-01-05 Page: 6

14 Mercer selects peer organizations, for compensation benchmarking purposes, based on a stable
15 metric that reflects the size and operating complexity of the organization (typically, this is
16 revenue and/or total assets). Where there is a relatively small sample of relevant comparator
17 organizations, Mercer establishes limits of 33% to 300% of the scope criteria for the organization
18 we are analyzing.
19

20 Some organizations were included in the analysis despite falling below the 33% of revenue
21 threshold value. These organizations were primarily Ontario based local distribution companies
22 that are seen as important benchmarks by stakeholders.
23

24 **Interrogatory:**

25 a) Please confirm that 6 of the 17 comparators fall out of the 33% to 300% of the Hydro One
26 revenue range.
27

28 b) Please confirm that, as 3 of the 6 comparators that fall out of the range, the out-of-range
29 comparators are not primarily Ontario based local distribution companies. Why are these
30 companies included?
31

32 **Response:**

33 a) Confirmed. Six of the 17 comparators fall outside of the 33% to 300% of the Hydro One
34 revenue range

- 1 b) Confirmed. Three of the six comparators outside of the range mentioned in (a) are not
2 primarily Ontario-based local distribution companies (Manitoba Hydro, New Brunswick
3 Power, AltaLink). In addition to organization size, several factors have been used to select
4 study comparators, including similar workforce characteristics and business closely related to
5 Hydro One. These three organizations met the later criteria and were included in the study
6 despite their size.

1 **Power Workers' Union Interrogatory # 33**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
9 showing efficiency and value for dollar associated with its compensation costs (excluding
10 executive compensation)?

11
12 **Reference:**

13 C1-02-01-05 Page: 14

14 For new employees hired into Non-Represented and Professional job classifications, the value of
15 pensions and/or benefits, where applicable, have decreased due to recent amendments to these
16 plans (see “Future” & “Go Forward” columns on the following pages).

17
18 **Interrogatory:**

- 19 a) Why is there no “Future” column for PWU job classifications? If possible, please update
20 Table 7 to include a “Future” column.
- 21
22 b) Does the future column for the Society in Table 6 consider the move to the Rule of 85 and
23 adjustment to the final average earnings calculation?

24
25 **Response:**

- 26 a) The future columns represents what Hydro One’s market positioning would be should all
27 employees be on a new plan (i.e. there are no employees on legacy plans). However, since all
28 PWU represented employees are entitled to the same pension plan and there is no “new plan”
29 for more recent hires, a future view is not applicable.
- 30
31 b) Yes, the future column for the Society group reflects these changes.

Power Workers' Union Interrogatory # 34

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

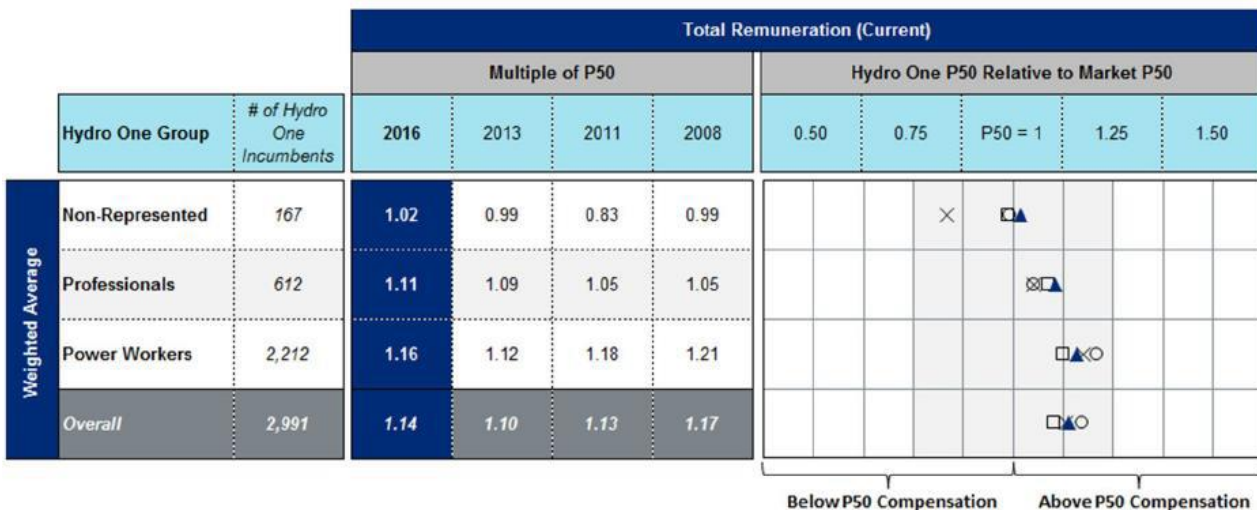
Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

C1-02-01-05 Page: 14

As requested by stakeholders in 2011, in addition to comparing Hydro One P50 to market P50, a comparison was also made of Hydro One median to market average (“mean”). On a weighted average basis, Hydro One’s total compensation cost is 8% above market average. Hydro One’s position relative to market varies by employee group from 2% below market average for the Non-Represented group to a high of 10% above the market average for the PWU group. There is a noticeable difference between the market median and market average. This is driven, to a certain extent, by outliers in the data set and the sample size used. See Appendix A for detailed results.

C1-02-01-05 Page: 4



1 C1-02-01-05 Appendix A Page: 18

Hydro One Group		# of Hydro One Incumbents		Total Remuneration (Current)													
				Multiple of Average				Hydro One P50 Relative to Market Average									
				2016	2013	2011	2008	0.50	0.75	Average = 1	1.25	1.50					
Weighted Average	Non-Represented	167	0.98	0.97	0.84	0.99						× ▴					
	Professionals	612	1.06	1.09	1.06	1.05						▾ □					
	Power Workers	2,212	1.10	1.13	1.15	1.21						▴ ▾ × ○					
	Overall	2,991	1.08	1.10	1.12	1.17						▴ ▾ × ○					
											Below Average Compensation				Above Average Compensation		

2
3 **Interrogatory:**

- 4 a) What drivers, aside from outliers and sample size, can explain the divergence of the market
5 mean and median?
6
7 b) How can the presence of outliers impact the trend of the market mean? Are some peers
8 outliers in terms of compensation trend - rather than outliers in terms of relative market
9 position?
10
11 c) Hydro One's mean and median relative positions have been similar in Mercer's previous
12 studies and the mean and median trends between studies were consistent. Why is this not the
13 case for the 2016 study?
14

15 **Response:**

- 16 a) As noted in the question, outliers and sample size explain most divergence between the mean
17 and median. Outliers do not impact the market median as much as they impact the mean. In
18 longitudinal studies, the median, for a particular position, can be impacted by smaller sample
19 sizes without a central tendency in the reported data.
20
21 b) Outliers have the ability to significantly bring mean values up or down, since the mean takes
22 into account the average of all data points in a set. If compensation trend is meant to cover
23 how organizations administer their pay practices (i.e. salary increases, incentive

1 administration etc.), Mercer is not able to comment on this because it is not part of the data
2 collected for the custom survey.

3
4 c) In addition to disparities in the data set (and the impact these disparities have as outlined in
5 [a]), the participating organizations may also play a factor. Four (4) organizations that had
6 not previously participated in the compensation study participated in 2016. Two of these
7 organizations were among the top 3 largest participating organizations by revenue while the
8 other two were the smallest. This change to the underlying peer group could contribute to the
9 divergence between the market mean and median.

Power Workers' Union Interrogatory # 35

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

C1-02-01 Page: 43

Table 13: Annual Savings from Increased Employee Pension Contributions (DX)

Year	\$M
2018	\$10.9
2019	\$12.0
2020	\$11.9
2021	\$11.5
2022	\$11.7

Interrogatory:

a) What underlining assumptions regarding employee pension contributions were used to determine the annual savings figures in each year of the test period?

Response:

Please refer to Exhibit I-40-Staff-209.

1 **Power Workers' Union Interrogatory # 36**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
9 showing efficiency and value for dollar associated with its compensation costs (excluding
10 executive compensation)?

11
12 **Reference:**

13 Procedural Order No. 3 Joint Session of Parties – January 16, 2018

14
15 **Interrogatory:**

16 a) Following the Joint Session Meeting intended to identify compensation evidence filed in the
17 EB-2016-0160 Transmission Proceeding record that may be relevant to Distribution
18 Proceeding record (EB-2017-0049), Hydro One advised that one of the 2016 interrogatories
19 that may require updates is PWU's Undertaking J10.1 that asked Hydro One to update
20 Exhibit K9.7. Please provide an update to K9.7.

21
22 **Response:**

23 Please see Attachment 1.

HONI Compensation and Complement 2014-2018

(Source: EB 2017-0049 Ex C Tab 2 Schedule 1 Attachment 8 p2)

	PWU Reg. Complement	YOY % Change Complement	Cumulative Change Complement	PWU DX Total Wages	YOY % Change Wages	Cumulative % Change Wages		Average Annual Change in Wages
2014	3271	0.00%	0.00%	\$307,740,355	0.00%	0.00%		
2015	3350	2.42%	0.87%	\$311,644,534	1.27%	1.27%		
2016	3411	1.82%	2.71%	\$301,364,425	-3.30%	-2.07%		
2017	3319	-2.70%	-0.06%	\$295,946,137	-1.80%	-3.83%		
2018	3278	-1.24%	-1.29%	\$305,760,721	3.32%	-0.64%		-1.06%

	SEP Reg. Complement	YOY % Change Complement	Cumulative Change Complement	SEP DX Total Wages	YOY % Change Wages	Cumulative % Change Wages		Average Annual Change in Wages
2014	1290	0.00%	0.00%	\$129,252,105	0.00%	0.00%		
2015	1285	-0.39%	1.98%	\$131,413,122	1.67%	1.67%		
2016	1241	-3.42%	-1.51%	\$115,008,175	-12.48%	-11.02%		
2017	1212	-2.34%	-3.81%	\$117,494,505	2.16%	-9.10%		
2018	1177	-2.89%	-6.59%	\$121,015,587	3.00%	-6.37%		-4.96%

	MCP Reg. Complement	YOY % Change Complement	Cumulative Change Complement	MCP DX Total Wages	YOY % Change Wages	Cumulative % Change Wages		Average Annual Change in Wages
2014	584	0.00%	0.00%	\$70,806,548	0.00%	0.00%		
2015	585	0.17%	-2.50%	\$73,340,755	3.58%	3.58%		
2016	596	1.88%	-0.67%	\$70,171,301	-4.32%	-0.90%		
2017	593	-0.50%	-1.17%	\$72,460,917	3.26%	2.34%		
2018	587	-1.01%	-2.17%	\$77,995,643	7.64%	10.15%		3.03%

	Temporary Resources (all groups)	Temporary DX Total Wages	YOY % Change Wages	Cumulative % Change Wages				Average Annual Change in Wages
2014		\$88,824,420	0.00%	0.00%				
2015		\$86,157,929	-3.00%	-3.00%				
2016		\$95,576,630	10.93%	7.60%				
2017		\$98,356,199	2.91%	10.73%				
2018		\$104,917,974	6.67%	18.12%				6.69%

	Total HONI Complement	YOY % Change Complement	Cumulative Change Complement	HONI Total Wages	YOY % Change Wages	Cumulative % Change Wages		Average Annual Change in Wages
2014	7336	1.49%	1.49%	\$596,623,428	0.00%	0.00%		
2015	7283	-0.72%	0.76%	\$602,556,339	0.99%	0.99%		
2016	7526	3.34%	4.12%	\$582,120,530	-3.39%	-2.43%		
2017	7525	-0.01%	4.11%	\$584,257,758	0.37%	-2.07%		
2018	7489	-0.48%	3.61%	\$609,689,925	4.35%	2.19%		-0.26%

Document Number: **SP 0858 R2**

Document Name: **People Strategy**

Posted Date: **2013/03/07**

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Purpose and Scope

- This People Strategy is intended to provide Hydro One’s Senior Management team with a framework to help guide decision-making, inform policy and program development, and define practices, procedures, systems and collective agreements, all with a view to ensuring they are aligned, and consistent with, those of a high-performing corporate culture.
- This document applies to all Hydro One staff

Revision History

Version	Brief Description of Revisions
R2	<ul style="list-style-type: none">• Replaces Human Resources Strategy• Clarifies framework and alignment of Strategic Foundation, People Management and Engagement at Hydro One
R1	<ul style="list-style-type: none">• 2009 Hydro One Human Resources Strategy• Compensation and benefits• Organization structure• Diversity• Mentoring• Knowledge transfer• Engagement surveys• Employee communications• Performance management at Hydro One
R0	This is a new document

Contents

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[3.0 Driving Corporate Performance: Central Role of People Management](#)

[4.0 Building Capacity: Towards a Stable and Engaged Workforce](#)

1.0 Introduction

Hydro One exists to meet the needs of its customers. To do this safely, efficiently and reliably, we require a stable workforce, top talent and highly engaged employees who share a keen understanding of their roles and accountabilities, as well as practical knowledge of the overarching corporate strategy.

This People Strategy is intended to provide Hydro One's Senior Management team with a framework to help guide decision-making, inform policy and program development, and define practices, procedures, systems and collective agreements, all with a view to ensuring they are aligned, and consistent with, those of a high-performing corporate culture.

The Strategy, as illustrated in Figure 1, is divided into the following three broad sections:

1. Strategic Foundation: Aligning our Workforce with our Mission, Vision, Values
2. Driving Corporate Performance: Central Role of People Management
3. Building Capacity: Towards a Stable and Engaged Workforce

The Strategy and the schematic go hand and hand. Together, they explain:

- How Hydro One's People Strategy links back to our Mission, Vision and Values statements, at every touch-point;
- Why employee engagement is a top strategic priority and why effective people management is a key driver of corporate performance;
- Why Hydro One needs to pursue relentlessly the goal of building a stable organization that selects, retains, mentors and develops high-performing employees capable of delivering on the company's goals.

2.0 Strategic Foundation: Aligning our Workforce with our Mission, Vision, Values

Hydro One's mission is to be an innovative and trusted company that delivers electricity safely, reliably and efficiently in order to create value for our customers. This mission underpins everything we do, and as an organizing principle, every element in the People Strategy aligns with it.

Key performance indicators. Hydro One's key performance indicators – Safety, Customer and Culture – all reflect our corporate mission. Our organizational structure and our workforce must all be planned on this basis, our selection and recruitment practices should reflect these priorities, and our annual goals need to be set according to these indicators because, ultimately, our success in delivering to our customers is measured relative to these indicators.

Safety first. Safety stands out as one of our most important corporate performance indicators. We are a safety-focused culture: Our success depends as much on working safely as it does on working productively and efficiently. We will not reach our corporate goals unless employee safety remains a priority, and this safety mindset should permeate and inform all our decisions, our procedures, policies and systems.

Hydro One's people are at the heart of the People Strategy. Our workforce needs to be organized in a way that allows employees to work cooperatively, reasonably and productively together.

Role clarity. The People Strategy emphasizes the importance of helping employees to understand their role, their accountabilities and the limits of their authority, and also to make the connection between their job and the company’s goals.

Alignment with corporate goals. In addition to our organizational structure, employees’ day-to-day activities must be aligned with overall corporate goals; managers must ensure their teams are working in concert to achieve clearly-stated and achievable goals.

Shared goals. High-performing companies need all employees to work together to deliver on the company’s business objectives. As a highly unionized company, Hydro One values the input of its employees and bargaining agents, and will look for ways to continually improve productivity and reduce costs to customers, while respecting the spirit and intent of the company’s collective agreements. Each section as needed contains all the information as required and as per the appropriate format for the document type.

3.0 Driving Corporate Performance: Central Role of People Management

As a high-performing company, Hydro One requires an engaged workforce to achieve its business goals. Managers are the link between the Company’s stated vision and the realization of that vision. Their role is critical, as shown in Figure 2.

Effective managers. The relationship between an employee and his/her manager is critical. Hydro One will focus on selecting managers who value the role of managing people. They must want to build and sustain relationships of trust in order to be selected for this role. Hydro One will actively support and develop these managers so that they can become fully competent in the “Craft of Management”.

Engagement and performance. Without trust, there is no engagement, and without engagement, Hydro One cannot perform at optimum levels. Engaged employees bring greater discretionary effort and commitment to work every day. They have higher levels of productivity, customer satisfaction, innovation, and most importantly, better safety results.

Measuring engagement. Hydro One will continue to measure employee engagement regularly, because engagement is a product and indicator of managerial effectiveness. We expect that all managers will work to continuously improve the levels of engagement in their unit.

To be selected for a management role, potential managers need to demonstrate they have the right pre-disposition for the job, and that they themselves are engaged employees. They need to understand what it means to take accountability for the outputs of their team and be comfortable using their judgment and discretion to deftly lead their teams to achieve the desired corporate results.

Selecting and retaining talent. The People Strategy calls for ‘great’ managers, defined as those who are not just capable of getting the required results in the short term, but who are also skilled at selecting, motivating and retaining engaged employees. These managers are selected not just on the basis of technical skills and knowledge, but also for talent, values, and preferred behaviour patterns.

Assessment tools. When they are in selection situations, Hydro One will provide managers with the best information available including validated assessments through tools that look at attitude, motivation and fit, as well as qualifications, skills and knowledge.

Core Leadership Practices. The Core Leadership Practices ensure that our employees are managed consistently and well at all levels of the company; these practices will continue to be the basis for developing all new managers.

The People Strategy is premised on the notion that performance management is a daily, year-round, activity.

Performance management. Performance management must be an everyday activity. All managers will be held accountable for providing regular constructive feedback and recognition to their employees, as a way of encouraging performance and ensuring their team is aligned with corporate objectives. Hydro One's Accountability-based Performance culture will be a direct and important contributor to our corporate success.

4.0 Building Capacity: Towards a Stable and Engaged Workforce

Hydro One's People Strategy focuses on the need to optimize the effectiveness and productivity of the company's workforce in order to successfully deliver value to our customers. It assumes that in order to reach our corporate goals, we have a skilled and stable workforce, that we accurately predict the skills and numbers of employees required to deliver on the corporate strategy, and that we plan our workforce accordingly.

In-house talent. Hydro One's preference is to grow its talent in-house. Many of the company's jobs are complex and require long lead times before an employee can reach full competence. For this reason, all our people management systems and processes must support employee attraction and retention.

Compensation. Hydro One's compensation and benefits programs will always be the subject of close customer and shareholder scrutiny, but to achieve low levels of attrition and avoid the costs of employee turnover, we need to provide comprehensive compensation and benefits programs that reflect the nature of employees' work and the high level of skill, knowledge and qualifications that many of our jobs require. Only with equitable compensation and benefit programs, which recognize and maintain appropriate relativities between our employee communities, will we be able to deliver on our corporate strategic objectives.

Employee training. Comprehensive training and development for all roles in the organization – trades, technical, Health & Safety, supervisory, managerial and professional – represent an essential investment in the company's ability to perform now and in the future. We will continue to support these investments.

Recruitment. Hydro One will continue to promote diversity in our recruitment activities in order to reflect the communities we serve. We will also continue to promote careers in the Power Sector to colleges, universities and schools because they allow us to recruit new talent and plan our workforce based on our projections. For the same reason, we will continue to support Co-op and Intern Programs as means of getting valuable work done while prospecting for future talent.

Manager-once-removed. We will emphasize the importance of the Manager-once-removed role. This role will ensure that our employees are managed fairly and well by their managers and that high potential employees are identified and developed, that our 'bench-strength' is maintained and increased and successors are available for all critical roles. The implementation of the MOR role at all levels of the organization will be a priority.

Knowledge transfer. We will work to ensure that before they leave or retire, the institutional knowledge, experience and subject-matter expertise of our people in critical roles is captured by the organization and made available to newer workers.

Contingent workforce. Externally, we will continue to rely on temporary and contract staff to help us achieve our corporate goals. We need our contingent workforce to provide us with much-needed flexibility to plan work appropriately and function optimally.

EVERY ASPECT OF THE PEOPLE STRATEGY TIES BACK TO HYDRO ONE'S MISSION, VALUES AND VISION. TOGETHER, THEY ENSURE THAT EVERY DECISION WE MAKE ABOUT OUR WORKFORCE IS DRIVEN BY OUR COMMITMENT TO AN ACCOUNTABILITY-BASED PERFORMANCE CULTURE WHICH WILL ENSURE WE ACHIEVE OUR OVERARCHING BUSINESS OBJECTIVES.

Figure 1

Elements of the People Strategy

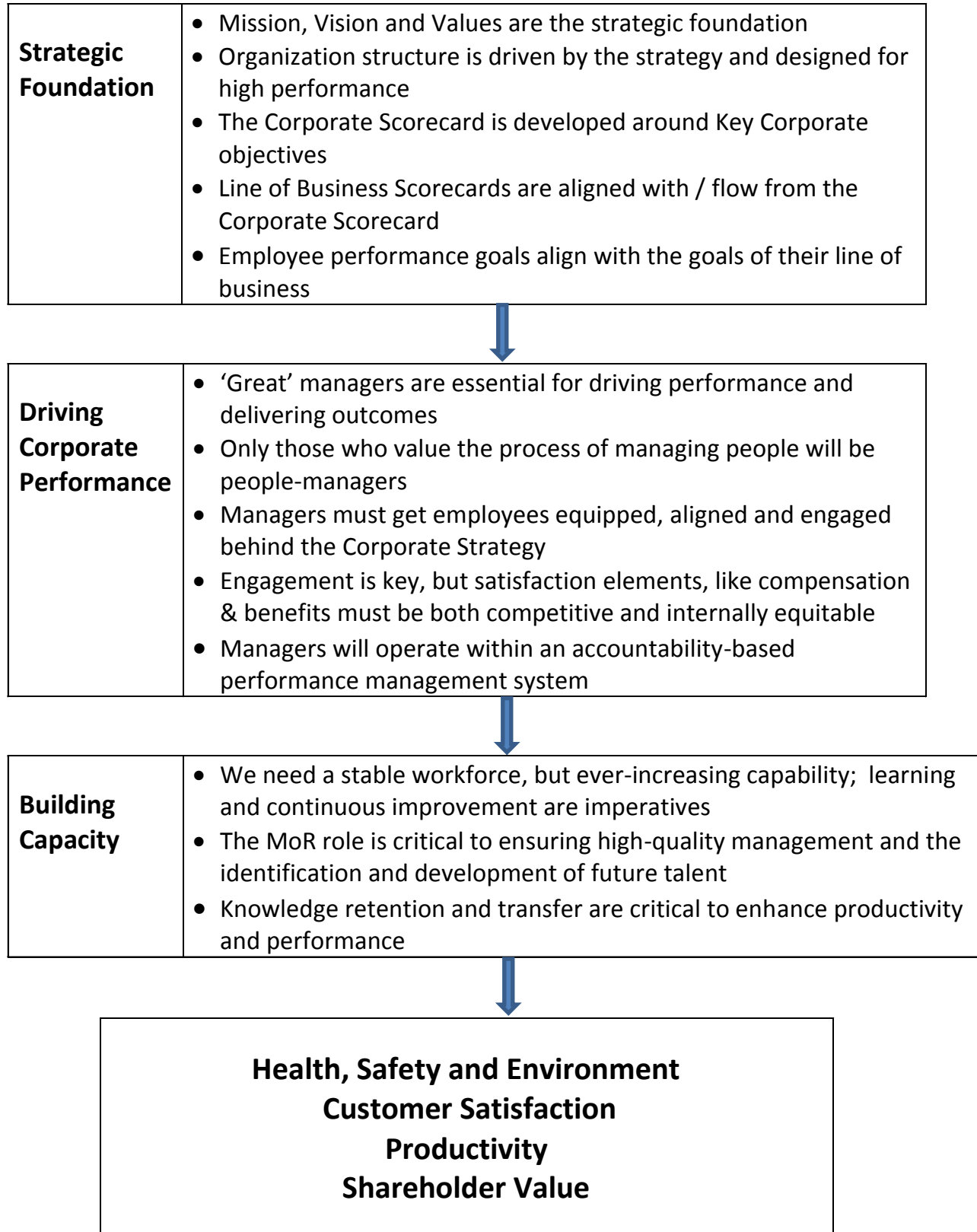
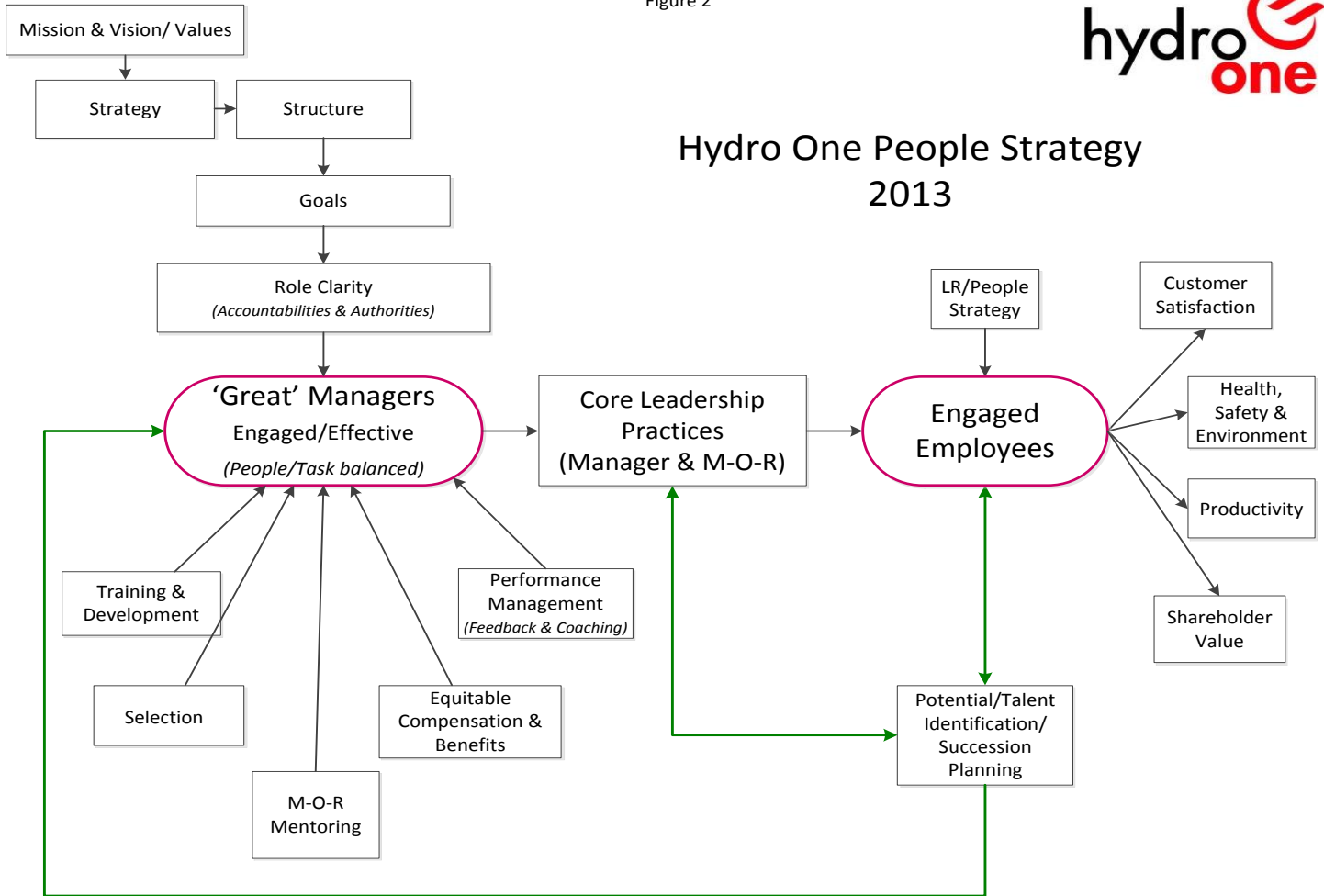


Figure 2



Hydro One People Strategy 2013



1 **School Energy Coalition Interrogatory # 76**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01 Page: 6

10
11 With respect to retirement eligibility and retirements, please:

12
13 **Interrogatory:**

- 14 a) Provide Figure 1 information in a table format.
- 15
- 16 b) Explain the significant difference between the number of employees eligible to retire in each
17 year between 2014 and 2016, and the forecast number of employees eligible to retire in EB-
18 2013-0416 for the same 2014-2016 period (EB-2013-0416, C1-3-1, p.2, Table 2).
- 19
- 20 c) Provide a similar table as requested in part (a), forecasting retirement eligibility and
21 retirements for 2017 to 2022.

22
23 **Response:**

- 24 a) Please see Table 1.

25
26 **Table 1 - Retirement Eligibility and Retirements 2011-2017**

Year	Number Retired	Eligible To Retire
2011	165	1009
2012	176	970
2013	234	861
2014	176	867
2015	167	927
2016	210	959
2017	270	1195

1 b) The difference between the two tables is due to timing. The retirement eligibility data is
2 extracted at a point in time. For the EB-2013-0416 evidence (“Old Evidence”), the data
3 would have been extracted in 2013. Since then, some employees eligible to retire would
4 have retired. When the data was extracted in 2017 for those eligible to retire in 2014, the
5 employees who retired would no longer be in the data set. Similarly, the forecast in the Old
6 Evidence for the 2014-16 period is a forecast, not actuals. In evidence submitted in Hydro
7 One’s last transmission application (EB 2017-0049), actual retirements would be shown for
8 the 2014-16 period.

9
10 c) Please see Table 2.

11
12 **Table 2 - Retirement Eligibility and Forecasted Retirements 2018-2022**

Year	Eligible to Retire	Forecasted Retirements
2018	1043	443
2019	726	222
2020	595	217
2021	449	227
2022	322	146

School Energy Coalition Interrogatory # 77

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-01 Page: 19

Interrogatory:

Please expand Table 1 to include FTE information from 2014 to 2016.

Response:

		2014	2015	2016	2017	2018	2019	2020	2021	2022
Regular	MCP	605	597	611	679	675	671	669	668	668
	Society	1291	1282	1267	1375	1380	1376	1370	1363	1363
	PWU	3342	3356	3391	3480	3444	3423	3413	3403	3395
	Total	5238	5235	5269	5534	5499	5470	5452	5434	5426
Non-Regular	MCP	29	29	33	29	28	28	28	27	27
	Society	56	55	47	51	46	41	41	41	41
	PWU	328	212	230	165	140	138	138	137	137
	Total	413	296	310	245	214	207	207	205	205
Casual	PWU HH	1338	1188	1383	1374	1465	1400	1401	1407	1408
	Casual Construction	1319	1358	1402	1428	1428	1428	1428	1428	1428
Total FTE's		8308	8077	8364	8581	8606	8505	8488	8474	8467

1 **School Energy Coalition Interrogatory # 78**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C-01-02, Page: 19

10 With respect to the Long Term Incentive Program (“LTIP”), please:

11
12 **Interrogatory:**

- 13 a) Provide a copy of the details of the LTIP that are provided to participants.
- 14
- 15 b) Provide details regarding the individual metrics and/or targets that are used and the basis for
16 using them.
- 17
- 18 c) Explain how the LTIP aligns with the interest of Hydro One’s ratepayers.
- 19
- 20 d) Explain how the LTIP aligns with the objectives under the Renewed Regulatory Framework
21 for Electricity.
- 22

23 **Response:**

- 24 a) Please see Attachment 1.
- 25
- 26 b) Under the LTIP, participants are eligible for Restricted Share Units (RSUs) and Performance
27 Share Units (PSUs). RSUs are units that convert into Hydro One shares after they vest at the
28 end of a three year period. PSUs are similar to RSUs, but vest according to achievement of
29 corporate performance goals. For 2018, the corporate performance measures include Average
30 Earnings per Share (“EPS”) and a dividend modifier. If the dividend modifier falls below a
31 specified dividend amount, no PSUs will vest regardless of the average EPS.
- 32
- 33 c) Equity-based compensation (such as a LTIP) instils a sense of ownership for employees.
34 Since the value of their shares fluctuates with the success of the company, employees are
35 incented to perform better. Equity-based programs are a common market practice to align
36 the interests of leaders with those of the shareholder and the ratepayer. Since Hydro One is

1 expecting better results from employees, benefits should be should be experienced by
2 ratepayers.

3
4 The rate recovery of incentive-based compensation has been previously considered by the
5 OEB in regulatory decisions relating to Ontario's natural gas distributors. As an example, in
6 a 2003 OEB Decision regarding Union Gas, the OEB ruled on the recoverability of
7 incentive-based compensation programs. The OEB agreed "with Union's use of incentive
8 payments as a legitimate element of the total compensation package offered to retain
9 qualified managers and staff in a competitive market for human resources". The OEB also
10 commented that "the use of incentive payments is a reasonable element of Union's employee
11 compensation and benefits ratepayers over the longer term by allowing Union to compete for
12 higher quality human resources, leading to a more efficient operation of the utility".
13 (Reference RPO-2003-0063/EB2003-0087/EB-2003-0097 Decision with Reasons dated
14 March 18, 2004 p.89).

- 15
16 d) The LTIP aligns with the RRFE in that the LTIP incents and rewards senior leaders for long
17 term performance, significant contributions to the company results and long term potential.
18 Individually and collectively, these contributions will lead to the longer term success of the
19 company and as a result, support the principles of the RRFE (i.e. Customer Focus,
20 Operational Effectiveness, Public Policy Responsiveness and Financial Performance).



2017 LONG-TERM INCENTIVE PLAN

DRIVING LONG-TERM PERFORMANCE

Congratulations on being selected for a 2017 Long-Term Incentive Plan (LTIP) grant. LTIP grants provide a long-term reward opportunity that focuses our collective efforts on achieving our vision and long-term strategic objectives.

OVERVIEW

The aim of the Long-Term Incentive Plan is to:

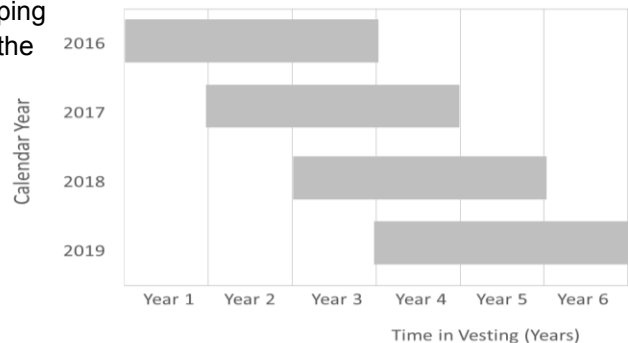
- reward long-term value creation and foster alignment with shareholder and customer interests,
- support the achievement of objectives that lead to long-term value creation,
- encourage teamwork and collaboration across groups and geographies, and
- attract and retain top talent by aligning high performance with payout opportunities.

As a leader at Hydro One, your contribution and results impact share price performance and the longer-term success of the business.

HOW OFTEN ARE GRANTS MADE?

LTIP grants are generally made each year at the discretion of the Board of Directors. Grants reflect relative contributions of our leaders and are not guaranteed from year to year.

For recipients with annual grants, the result is overlapping vesting periods and annual payouts. In the chart to the right, you'll see how a series of grants might accrue over the first four grant periods. For example, for those employees who received a 2016 LTIP grant, from 2018 onward, grant cycles overlap such that there will be three grants in process, each at various stages of vesting.



HOW IS MY GRANT DETERMINED?

The size of the grant is intended to be market competitive and to deliver on our commitment to pay for performance. We regularly review the competitive practice within our approved peer groups of other utility and related companies, and provide grants that reflect each individual's performance and potential to drive Hydro One's success.

The Executive Leadership Team determined the value of your 2017 grant with consideration given to a number of factors including, but not limited to, long-term performance, significant contributions to the company results, long-term potential and total compensation relative to peer comparators. For employees at the Vice President level and above participating in Hydro One's 2017, the LTIP grant is comprised 40% of Restricted Share Units and 60% of Performance Share Units.

RESTRICTED SHARE UNITS

WHAT IS A RESTRICTED SHARE UNIT?

Restricted Share Units (RSUs) are units that convert into Hydro One shares after they vest; that is, you obtain rights to the shares. These rights can only be forfeited in the event of death, resignation or termination during the vesting period. The vesting date is December 31st of the third calendar year following the grant date. During the vesting period and consistent with dividend payouts to Hydro One common shares¹, these units also accrue dividend equivalents which are converted into additional RSU units.

DIVIDEND EQUIVALENTS

RSUs and PSUs are credited with the same amount as a dividend on an outstanding common share in Hydro One Limited.

An Illustrative Example

You receive a grant of 1,250 RSUs (representing 1,250 common shares of Hydro One Limited). For purposes of this illustration, assume the share price is constant at \$24.00 and the quarterly dividend paid on common shares is constant at \$0.21 per share.

Growth via Dividend Reinvestment							
Year	Calendar Quarter	Starting RSUs	Share Price	Dividends Paid	Dividend Equivalents		Ending RSUs
		[A]	[B]	[C]	[D]	[E]	[A] + [E]
					= [C] x [A]	= [D] / [B]	
Year 1	2	1250	\$24.00	\$0.21	\$262.50	10.938	1260.938
	3	1260.938	\$24.00	\$0.21	\$264.80	11.033	1271.971
	4	1271.971	\$24.00	\$0.21	\$267.11	11.13	1283.101
Year 2	5	1283.101	\$24.00	\$0.21	\$269.45	11.227	1294.328
	6	1294.328	\$24.00	\$0.21	\$271.81	11.325	1305.653
	7	1305.653	\$24.00	\$0.21	\$274.19	11.424	1317.077
Year 3	8	1317.077	\$24.00	\$0.21	\$276.59	11.524	1328.601
	9	1328.601	\$24.00	\$0.21	\$279.01	11.625	1340.226
	10	1340.226	\$24.00	\$0.21	\$281.45	11.727	1351.953
	11	1351.953	\$24.00	\$0.21	\$283.91	11.83	1363.783
	12	1363.783	\$24.00	\$0.21	\$286.39	11.933	1375.716
Total						125.716	

¹ The amount and timing of any dividends payable by Hydro One Limited will be at the discretion of the board of directors.

VESTING

Grants will fully vest on December 31st of the third calendar year following the grant date.

Here's how an illustrative example of an RSU grant would accrue over the vesting period, including dividend equivalents (as estimated in the previous chart):

- Your RSU grant = 1,250 units (1,250 x \$24.00 = \$30,000)
- Total dividends earned over vesting period years = 125.716 units
- Total RSUs at vesting = 1,375.716 units (1,250 + 125.716)
- Total Value of RSUs at vesting * = \$33,017.18 (1,375.716 x \$24.00)

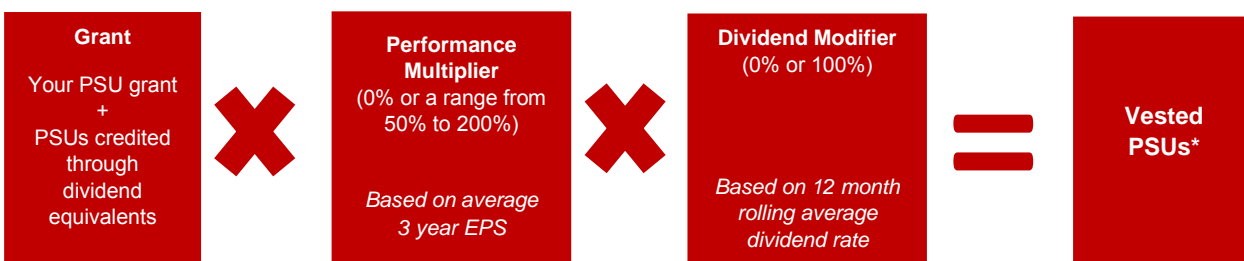
* The total value of the grant at the end of vesting period, including dividend accrual, have been estimated with no change in Fair Market Value (FMV) of the mirrored Hydro One Limited common share from the grant value. A change in the FMV would alter the total dividends earned over vesting period and the total value once vested.

PERFORMANCE SHARE UNITS

WHAT IS A PERFORMANCE SHARE UNIT?

Performance Share Units (PSUs) are units that are similar to RSUs but vest according to achievement of performance measures over the three year performance period. The number of PSUs that vest can range from 0% to 200% of the grant, depending on the actual performance as compared to performance measures approved by the Board of Directors (the Board). During the vesting period and consistent with dividend payouts to Hydro One common shares², these units also accrue dividend equivalents which are converted into additional PSU units. Please refer to Schedule A of your PSU Grant Agreement for further information.

PSU CALCULATION



* Actual payout results are subject the Board's review of the audited financial statements and approval of the payout percentage

Performance Measures

Each grant year, the performance measures applicable to the PSUs are approved by the Board. The performance measures for this 2017 PSU grant are based on earnings per share (EPS) and our dividend rate throughout the performance period.

² The amount and timing of any dividends payable by Hydro One Limited will be at the discretion of the Board.

Average Earnings per Share (EPS)

The Performance Multiplier used in determining the number of PSUs that will vest is based on the average EPS over the performance period; that is, January 1, 2017 to December 31, 2019. At the end of this three year performance period, the actual average EPS will be measured against the target average EPS approved by the Board. If we achieve the target average EPS over the three year performance period, the Performance Multiplier will be 100%. If the average EPS is at threshold, the Performance Multiplier will be 50% and, below the threshold, the Performance Multiplier will be 0%. If the three year average EPS is at or above the maximum, the Performance Multiplier will be 200%. For actual average EPS results that fall between these performance levels, the Performance Multiplier is based on the appropriate linear interpolation.

Dividend Rate

The Dividend Modifier is 100% as long as the twelve month rolling average dividend rate does not fall below the annualized dividend rate at the time of grant, at any time during the three year performance period. If it does fall below this rate during the performance period, the Dividend Modifier is 0%.

The resulting number of vested PSUs is determined as the sum of the original PSU grant and dividend equivalents, multiplied by the Performance Multiplier and the Dividend Modifier. The vested PSUs are then converted to Hydro One Limited common shares.

Details and specific target performance levels are included in your PSU award agreement.

An Illustrative Example

- You receive a grant of 1,875 PSUs early in the fiscal year. The PSUs vest on December 31st of the third calendar year after the grant date.
- PSUs, like RSUs, are credited with dividend equivalents. For purposes of this illustration, let's assume we can use the same calculation outlined under the RSU example with the share price constant at \$24.00 and the quarterly dividend paid constant at \$0.21 per share.
- Here's a simplified illustration on how the PSU grant would be calculated:

Grant
Your PSU grant +
PSUs credited
through
dividend
equivalents

Step #1: Determine the total number of PSUs, including dividend equivalents (estimated for purposes of this mode – see RSU example):

Your PSU grant	= 1,875 units
Total dividends earned over 3 years	= 188.576 units
Total PSUs at vesting	= 2,063.576 units (1,875 +188.576)



Step #2: Apply EPS performance multipliers and the Dividend Modifier:

Performance Multiplier
(0% or a range
from 50% to
200%)

	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>
2063.576 PSUs at vesting				
Average EPS	= Threshold	Target	Maximum	Target
Performance multiplier	= 50%	100%	200%	100%
Total PSUs	= 1,031.788	2,063.576	4,127.152	2,063.576
Dividend modifier	= 100%	100%	100%	0%
Total PSUs	= 1,031.788	2,063.576	4,127.152	0



Total Value of PSUs = \$24,762.91 \$49,525.82 \$99,051.65 \$0
of PSUs x FMV at end of three year period - \$24.00 (assumed constant share price)

Dividend Multiplier
(0% or 100%)

Relative to an original grant value of \$45,000 (1,875 x \$24.00)

NOTE: For a simplified illustration the Scenarios provided are at the Threshold, Target or Maximum levels of the Average EPS, but performance between these levels would be determined by linear interpolation. Average EPS below threshold would result in no PSUs vesting.

MANAGING YOUR PLAN

You will be able to track your shares and dividend equivalents in your Computershare account during the vesting period. Your 2017 grants will appear in your Computershare account on or before April 13, 2017.

You would have received a welcome email from Computershare with your login information when you joined in the Long Term Incentive Plan (LTIP) or Employee Share Ownership Plan (ESOP). If you did not setup your account, please contact Computershare's Helpdesk at 1-866-593-4601 (hours of operation are Monday to Friday 8:30am-8:00pm) to have your password reset. You will need your Global ID which is your employee number and the company code, HYLQ. If you don't participate in ESOP and this is your first LTIP grant, you will receive a welcome email and PIN from Computershare on how to set up your account.

WHAT HAPPENS ONCE THE GRANT VESTS?

The vested RSUs and PSUs, including dividend equivalents, will be settled in shares at the end of the vesting period and, with respect to the PSUs, following Board approval of the performance multipliers and dividend modifier. When the shares vest to the benefit of the employee, income tax withholdings and remittances ("Tax Remittances") must be made with respect to the fair market value of the shares issued to the employee. Hydro One will provide the employee with options for settlement of these remittance obligations. No shares will be issued to the employee until the employee has provided for the Tax Remittances to Hydro One's satisfaction.

WHAT HAPPENS IF I LEAVE THE COMPANY, DIE OR BECOME DISABLED?

If you die or become disabled during the vesting period, the next instalment of unvested grants will vest on a pro-rata basis and, for PSUs, assuming both a Performance Multiplier and Dividend Modifier of 100%. The remainder of unvested grants are forfeited. If you resign or are terminated with or without cause, any unvested RSUs and PSUs will be forfeited. If you retire (as defined by the Hydro One Limited Long Term Incentive Plan text), then all unvested grants continue to vest through your retirement.

QUESTIONS

For more information, please review the Plan Text provided to you with your award agreement. Please contact Computershare, Hydro One's administrative agent, for questions on how to access your account, as well as view and track your grants. If you have additional questions, please contact Sabrin Lila, Manager, and Compensation & HR Systems.

DISCLAIMER

This summary is intended to provide general information regarding LTIP. The applicable provisions of LTIP are set forth in the Plan text and award agreements (collectively referred to as the "Official Documents"). In the event of a discrepancy between the information in this summary and the Official Documents, the Official Documents will be considered correct and will govern in all cases. No rights accrue by reason of any statements made in this summary.

1 **School Energy Coalition Interrogatory # 79**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C-01-02-0 Attachment 8, Page: 3

10
11 With respect to Hydro One's employee vacancy rate:

12
13 **Interrogatory:**

- 14 a) Please provide Hydro One's actual vacancy rate for each year between 2014 and 2017.
15
16 b) Please provide the forecast vacancy rate for 2018, and the basis for the forecast.
17
18 c) Please confirm that Hydro One has built into its budget for 2018 its forecast vacancy rate for
19 2018.
20
21 d) If (c) is confirmed, please explain how Hydro One has translated the forecast vacancy rate
22 into a budgeted number.
23
24 e) If (c) is not, please explain why not.
25

26 **Response:**

- 27 a) In 2017, Hydro One introduced a new HR metric – vacancy rate – to track how many days it
28 took to post and fill a position. As such, Hydro One does not have vacancy rate data for
29 2014-2016. In 2017, the vacancy rate is approximately 77 days.
30
31 b) The vacancy rate metric is still relatively new to Hydro One. Hydro One's recruiting
32 department has set a target of reducing the vacancy rate to 52 days. While some of the time
33 to fill a position is governed by collective agreement obligations, the recruiting team has
34 made changes to the recruiting process to reduce the vacancy rate. Specifically, client-based
35 model has been adopted where a recruiter is accountable to a set of internal clients. This will
36 enable a better line of sight to any delays with the hiring requisition.

- 1 c) Hydro One has incorporated reduced spending into the budget to reflect vacancies through
2 the Common Corporate Cost groups but not work program-related groups.
3
- 4 d) Hydro One has initiated a budget cut across the board (in the labour portion) for the Common
5 Corporate Cost groups that reflect vacancies in different positions throughout the year.
6
- 7 e) Not applicable.

1 **School Energy Coalition Interrogatory # 80**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01 Page: 29

10 Hydro One's current collective agreements with the PWU, the Society, and the CUSW, expire
11 before the end of the test period.

12
13 **Interrogatory:**

14 a) Please provide the dates that each of the current collective agreements expire.

15
16 b) Please provide the assumptions Hydro One is making for the purposes of the proposed test
17 period budget, regarding the outcome of any further collective agreements for the period after
18 their respective expiry dates and the end of the test period (December 31st 2022).

19
20 **Response:**

21 a) The current collective agreements expire on the following dates: Powers Workers Union -
22 March 31, 2018; Society of Energy Professionals - March 31, 2019; and Canadian Union of
23 Skilled Workers - April 30, 2022.

24
25 b) It is assumed that there will be a continued focus on cost containment and increased
26 flexibility as Hydro One enters collective bargaining with all of the bargaining units. Due to
27 the nature of collective bargaining, it is premature to elaborate or predict on specifics or
28 outcomes at this point in time.

School Energy Coalition Interrogatory # 81

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-01

Interrogatory:

Please provide the number of employees in each of 2015, 2016 and 2017 that would have appeared on the Ontario Government's Public Sector Salary Disclosure list (i.e. Sunshine List) if it had still applied to Hydro One. Please also provide the number of employees in 2015, 2016 and 2017 that would have had salaries at or over \$200,000.

Response:

Below are listed the numbers of Hydro One Networks employees who would have been on the Government Public Sector Salary Disclosure List from 2015 to 2017.

- 2015 - 3956
- 2016 - 4335
- 2017 - 4209

Below are listed the numbers of Hydro One Networks employees who had compensation at or over \$200,000 from 2015 to 2017.

- 2015 – 47
- 2016 – 64
- 2017 – 67

Hydro One Inc.

2016 Compensation Risk Assessment

October 21, 2016

Filed: 2018-02-12
EB-2017-0049
Exhibit I-40-SEC-82
Attachment 1
1 of 16



Draft for Discussion

Introduction

- Hydro One has asked Willis Towers Watson to conduct a compensation risk assessment in the context of the Canadian Securities Administrators' (CSA) disclosure rules
- The CSA disclosure rules require companies to disclose whether the Board of Directors or a Committee of the Board considered the implications of the risks associated with the company's compensation policies and practices and if so, to disclose:
 - The extent and nature of the Board of Directors or a Committee's role in the risk oversight of the company's compensation policies and practices
 - Any practices the company uses to identify and mitigate compensation policies and practices that could potentially encourage a Named Executive Officer ("NEO") or an individual at a principal business unit or division to take inappropriate or excessive risk
 - Any identified risks arising from the compensation policies and practices that are reasonably likely to have a material adverse effect on the company
- Refer to **Appendix I** for examples of potential risks cited by the CSA
- In completing the updated analysis, we reviewed Hydro One's Compensation Discussion & Analysis (2016) and documentation prepared by Hydro One for HRC meetings

Overview

- On balance, our review does not find significant risks arising from the current compensation programs that are reasonably likely to have a material adverse effect on the company. Refer to **Appendix II** for the detailed assessment using Willis Towers Watson's standard assessment methodology
- Some of the key risk-mitigating features that we have identified within Hydro One's governance process and compensation structure include:
 - Governance oversight/culture through the risk management considerations in the compensation principles and HRC mandate
 - Target pay is balanced between fixed and variable pay and between short- and long-term incentives
 - Capped payout opportunities within the STIP and PSUs (2.0x target)
 - PSUs are granted annually and have overlapping performance periods thereby requiring sustained high levels of performance to achieve results
 - Share ownership guidelines and post-employment equity hold periods for executives
 - Clawback and anti-hedging policies are in place
- In compliance with the disclosure requirements, we note that Hydro One provides detailed disclosure on the complete list of policies/practices designed to prevent excessive or undue risk taking, and the process undertaken to complete the assessment of compensation risk
- We note that our review does not consider broader enterprise-related risks, risks associated with the execution of the business strategy nor cultural / ethics-related risks which we understand are addressed through Hydro One's broader risk management process as overseen by the Board and the respective Committees

Considerations

- We highlight some potential areas from a compensation risk perspective that will require continued review and consideration:

Topic	Consideration
Performance measure selection in the PSUs	<ul style="list-style-type: none"> ▪ Continued relevance of EPS as a sole measure of long-term value creation and effective capital management (i.e., including debt) ▪ Potential inclusion of a relative measure (i.e., relative total shareholder return) to reflect external impacts on company performance
Performance target and range calibration	<ul style="list-style-type: none"> ▪ As the organization continues through its transformation, ensuring that the performance targets continue to align with long-term value creation and effective capital management ▪ That the ranges above/below target are well-balanced with sufficient stretch and are reflective of the organization's potential variability in performance with balanced payout curves above/below target
Use of HRC / Board judgment	<ul style="list-style-type: none"> ▪ The use of judgment is an effective risk management practice; however, Hydro One might wish to establish guiding principles to address when / how these adjustments might be applied to provide clarity to participants and to assist the HRC in the adjudication process
Stewardship roles	<ul style="list-style-type: none"> ▪ Whether the individual objectives / awards for key stewardship roles (e.g., audit / risk / engineering) need a separate review process to ensure that these roles support effective risk management




Appendices

Further Details on CSA Rules -- Examples

Example CSA Situation	Hydro One
Compensation policies and practices at a principal business unit of the company or a subsidiary of the company that are structured significantly differently than others within the company	<i>No – consistent approach</i>
Compensation policies and practices for certain executive officers that are structured significantly differently than other executive officers within the company	<i>No – consistent approach</i>
Compensation policies and practices that do not include effective risk management and regulatory compliance as part of the performance metrics used in determining compensation	<i>Performance measures are reviewed for alignment with the organization's risk framework</i>
Compensation policies and practices where the compensation expense to executive officers is a significant percentage of the company's revenue	<i>Named Executive Officer (NEO) compensation is an insignificant percentage of revenue</i>
Compensation policies and practices that vary significantly from the overall compensation structure of the company	<i>Compensation policies and practices are universally applied across the company</i>
Compensation policies and practices where incentive plan awards are awarded upon accomplishment of a task while the risk to the company from that task extends over a significantly longer period of time	<i>Awards are based on actual results over varying time periods, but may not reflect the extremely long risk-tail associated with long-term transmission and distribution investments; offset by multi-year incentives and the claw back policy</i>
Compensation policies and practices that contain performance goals or similar conditions that are heavily weighed to short-term rather than long-term objectives	<i>Majority of total direct compensation for executives in long-term incentive compensation</i>
Incentive plan awards that do not provide a maximum benefit or payout limit to executive officers	<i>STIP and PSUs awards all have a 2.0x maximum (while PSUs and RSUs have uncapped share price opportunity)</i>

Detailed Risk Assessment

Pay Philosophy & Structure

Compensation Element	Score	Commentary	Suggested Action(s)
1. Philosophy Pay objectives contemplate how programs may encourage risk taking		<ul style="list-style-type: none"> Philosophy is reviewed and approved by HRC, targets the 50th percentile, includes a balanced set of peer organizations, and considers a balanced approach to risk 	No action
2. Fixed vs. Variable Pay Mix of fixed and variable pay is balanced to neither discourage proper risk taking nor encourage excessive risk taking		<ul style="list-style-type: none"> Pay is balanced between fixed and variable pay (21% / 79% for the CEO and an average of 30% / 70% for EVPs) cascading down with lower level positions having a greater weight on fixed pay 	No action
3. Short vs. Long-term Balance achievement of annual objectives with long-term value creation Short-term incentives should not form a large proportion of total compensation for employees whose actions to maximize payout can harm the business long-term (e.g., executives), but may be appropriate for those with short-term impact (e.g., sales)		<ul style="list-style-type: none"> Strikes an appropriate balance between 1-year and 3-year performance Short-term incentives (at target) represent approx. 20% of the CEO / EVPs total direct compensation Long-term incentives represent, on average, 50% to 60% of the CEOs / EVPs total direct compensation 	No action

Detailed Risk Assessment

Pay Philosophy & Structure *(continued)*

Compensation Element	Score	Commentary	Suggested Action(s)
<p>4. Organization Level of Measure Based on performance at multiple levels to diversify risk and moderate the potential impact on enterprise-wide risk</p>	■	<ul style="list-style-type: none"> STIP is weighted between corporate and individual performance with a greater emphasis on corporate performance for executives PSUs are focused on corporate performance 	No action
<p>5. Mix of Cash vs. Equity Enough equity opportunity to align executives with long-term sustained value creation, but balanced to ensure sufficient diversification</p>	■	<ul style="list-style-type: none"> Equity offered equally through RSUs and PSUs (both cliff vesting at the end of a three-year period) Share ownership guidelines consistent with Canadian market 	No action
<p>6. Blend of Long-term Incentives Enough leverage and mix of measures to encourage appropriate and balanced risk taking</p>	■	<ul style="list-style-type: none"> PSUs vest based on three year average earnings per share (subject to a minimum dividend rate) from 0% - 200%; RSUs vest at the end of three years 	No action – continue to review that performance measures align with long-term shareholder value creation


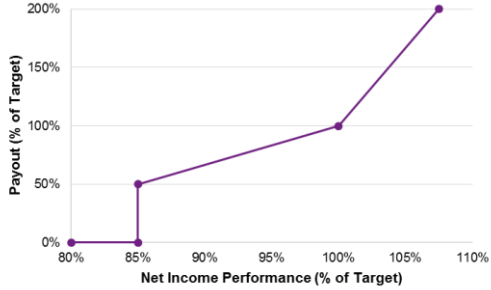
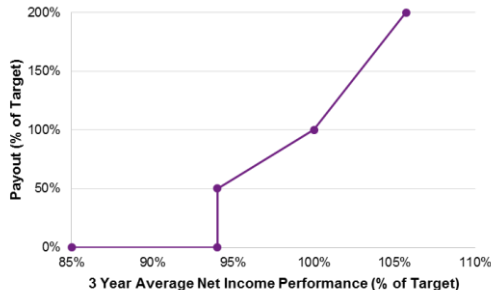
Detailed Risk Assessment

Pay Philosophy & Structure *(continued)*

Compensation Element	Score	Commentary	Suggested Action(s)
7. Supplemental Retirement Plans Benefits or total obligations should not have the potential to become so large that they provide a financial safety net against consequences of inappropriate risk taking	■	<ul style="list-style-type: none"> ▪ CEO / newly hired EVPs participates in defined contribution pension ▪ Others participate in defined benefit SERP with a cap of 50% of short-term incentive awards 	No action – additional cap on pensionable earnings is being proposed
8. Stock Ownership Requirements and Trading Policies Should be sufficient to subject executives' wealth to the consequences of appropriate and excessive risk taking Higher levels may help balance other suboptimal plan elements Buying company stock on margin should be prohibited	■	<ul style="list-style-type: none"> ▪ Ownership guidelines of 5x salary for CEO and 3x salary for other NEOs ▪ Post retirement hold in place for all executives (24 months for CEO and CFO, 12 months for other executives) ▪ Anti-hedging policy in place 	No action
9. Severance Not too high to protect executives against consequences of excessive risk taking	■	<ul style="list-style-type: none"> ▪ Severance of 2x salary + lower of: average bonus over 3 years OR target bonus for the year for both termination and CIC aligned with market practice and common law ▪ Under a CIC, awards have double-trigger vesting 	No action

Detailed Risk Assessment

Pay Plan Design

Compensation Element	Score	Commentary	Suggested Action(s)
<p>10. Pay/Performance Calibration</p> <p>Not too much upside or stretch required to meet threshold/target to encourage harmful or unsustainable results</p> <p>Enough downside to allow for reasonable slippage without paying for failure</p> <p>Steep leverage curve can tempt reckless behavior. Incentive curves should be established based on expected range of performance within acceptable risk-taking parameters</p> <p>More incremental reward in appropriate risk-taking zone, between threshold and target</p> <p>Less incremental reward in upper limits of risk-taking zone, between target and payout cap</p>		<p>STIP Curve</p>  <p>PSU Curve</p> 	<ul style="list-style-type: none"> The STIP has a steeper curve above target to reflect the organization's transition and to provide rewards for challenging but attainable upside targets (+7.5% above target) The PSU plan has a symmetrical performance range (+/-6%), but a greater payout opportunity above target which creates a somewhat steeper slope Both plans include threshold levels of performance to provide some level of payout below target Will need to continue to monitor the performance / payout ranges as the organization continues through its transformation

Detailed Risk Assessment

Pay Plan Design *(continued)*

Compensation Element	Score	Commentary	Suggested Action(s)
<p>11. Payout Cap</p> <p>Caps are advisable to discourage:</p> <ul style="list-style-type: none"> ▪ Actions that can harm the business where deferrals, recoupment, and/or discretionary adjustments are absent ▪ Temptation to take risk outside allowed parameters ▪ Unrealistic or undesirable attempts to attain performance 	■	<ul style="list-style-type: none"> ▪ STIP and PSU plans have a 200% payout maximum ▪ Clawback policy in place 	No action
<p>12. Formulaic Awards / Discretion</p> <p>Plans should allow for the appropriate application of discretion to determine the quality of the results and the risks taken to attain them. For example:</p> <ul style="list-style-type: none"> ▪ Positive discretion may be necessary when appropriate risks are taken but results do not generate sufficient reward (not NEOs) ▪ Negative discretion may be necessary to address results from too much risk taking or, conversely, not enough 	■	<ul style="list-style-type: none"> ▪ HRC judgment on STIP and PSUs based on events occurring with a given performance periods is clearly articulated 	No action – but might wish to consider establishment of guiding principles under which judgment could be applied

Detailed Risk Assessment

Pay Plan Design *(continued)*

Compensation Element	Score	Commentary	Suggested Action(s)
<p>13. Equity Award Vesting/Hold Requirements</p> <p>Long enough to prevent temptation to run up stock price for quick gain Requirement to hold net gain shares from exercised options or vested equity grants</p>	■	<ul style="list-style-type: none"> PSUs/RSUs are forfeited upon involuntary termination and continue to vest through retirement (i.e., implicit hold requirement) Post-retirement share ownership holding requirements are set for executives 	No action
<p>14. Overlapping vs. Discrete Performance Periods</p> <p>Overlapping performance periods can provide a hedge against excessive risk taking, given the impact of one year's performance on multiple cycles</p>	■	<ul style="list-style-type: none"> PSU and RSU grants are made annually and PSUs have overlapping performance cycles 	No action
<p>15. Bonus Banks / Clawbacks</p> <p>May be appropriate to ensure alignment between business results that generate incentive payouts and what is later determined to have occurred, e.g.: decisions with long tails (M&A, long-term investments) or bonuses paid on estimated or inaccurate results (risky financial instruments)</p>	■	<ul style="list-style-type: none"> Clawback policy in place 	No action



Detailed Risk Assessment

Performance Metrics

Compensation Element	Score	Commentary	Suggested Action(s)
<p>16. Quality and Sustainability of Results</p> <p>The compensation program pays for results within the expected parameters of risk for the organization</p> <p>The focus is balanced between short-term profit maximization and long-term strategic position and sustainable competitive advantage</p>	■	<ul style="list-style-type: none"> Balance between one- and three-year net income / EPS performance STIP includes weightings on customer satisfaction, work program and safety 	No action – appears to be well balanced
<p>17. Top Line vs. Bottom Line Metrics</p> <p>Need balance that is appropriate for each employee group</p> <p>Too much top line for those responsible for bottom line could cause too much risk to maximize revenue without regard to cost or use of capital</p> <p>Too much bottom line for those with line of sight at top line could cause insufficient motivation or risk taking</p>	■	<ul style="list-style-type: none"> The primary financial measure in the STIP is net income which depends on both revenue growth and cost management PSU plan uses average earnings per share calibrated relative to an underlying growth assumption 	No action – can consider another financial measure in the PSUs (i.e., ROCE) to measure capital efficiency

Detailed Risk Assessment

Performance Metrics *(continued)*

Compensation Element	Score	Commentary	Suggested Action(s)
<p>18. Absolute vs. Relative</p> <p>A focus on absolute results may not reflect impact of commodity pricing or external impacts and may encourage excessive risk taking at the bottom of cycles</p>		<ul style="list-style-type: none"> Both STIP and PSUs are calculated against absolute results (targets set at the beginning of each cycle) 	Consider the incorporation of a relative measure (i.e. TSR) to reflect impact of external factors and management's ability to drive performance
<p>19. Project-based Outcomes</p> <p>The reward for project-based outcomes or task completion is appropriately timed to the income stream of the project</p>		<ul style="list-style-type: none"> The current incentive programs reward results / outcomes rather than specific projects or transactions 	No action


Detailed Risk Assessment

Governance

Compensation Element	Score	Commentary	Suggested Action(s)
<p>20. Plan Design Process</p> <p>Need clear oversight roles to ensure pay plans are:</p> <ul style="list-style-type: none"> Aligned with business goals and risk tolerances Stress-tested under realistic assumptions Balanced between corporate standards and business unit autonomy 	■	<ul style="list-style-type: none"> Plans were reviewed / developed in an iterative process between management and the HRC Plan measures and targets were stress-tested relative to potential costs and implicit TSR assumptions Targets for both corporate measures are set annually against budget and individual objectives cascade from corporate measures 	No action
<p>21. Compensation Decision Making</p> <p>Need clear oversight roles to ensure:</p> <ul style="list-style-type: none"> Targets are set based on realistic performance expectations within acceptable risk parameters and with sufficient investment Actual performance is measured against targets with a full qualitative assessment about how the results were achieved Pool is distributed to individuals based on objective assessment of qualitative and quantitative contributions 	■	<ul style="list-style-type: none"> Targets and actual corporate performance relative to target are well documented for HRC review Targets are aligned to budgets / strategic plan with clear articulation of the potential sensitivities / inputs that may impact results Individual awards for designated executives are recommended by the CEO and reviewed by the HRC; the CEO's individual award is reviewed by the HRC 	No action – consider whether individual objectives / awards for stewardship roles (e.g., audit, risk, engineering) need to a separate review process

Detailed Risk Assessment

Governance *(continued)*

Compensation Element	Score	Commentary	Suggested Action(s)
<p>22. Well Defined Roles Review and approval authorities must be well understood. The following constituencies are involved in the process of assessing risk:</p> <ul style="list-style-type: none"> ▪ Board/committees ▪ Executive leadership ▪ Risk management ▪ HR ▪ Finance ▪ Compliance ▪ Legal 		<ul style="list-style-type: none"> ▪ The decision making process involves management, the HRC, and third party advisors (independent Board advisor and separate management advisor) ▪ The HRC mandate outlines responsibilities regarding performance reviews and compensation package reviews for the CEO and other designated employees, and compensation risk oversight ▪ One director is a member of both the Audit and HR Committees providing a link between the Committees' respective oversight responsibilities ▪ Finance is involved with performance measure section and calibration and legal supports plan documentation / policy development 	<p>No action</p>

1 **School Energy Coalition Interrogatory # 83**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01-05

10 With respect to the Mercer Compensation Cost Benchmarking Study:

11
12 **Interrogatory:**

13 a) Please provide an estimate of the dollar difference between the weighted average total
14 compensation for Hydro One's employees allocated to its distribution business and the P50
15 median used in the study. Please provide the amount in 2016 (the year the study was
16 completed) and for the 2018 test year. Please provide a step-by-step explanation of how the
17 estimate was reached.

18
19 b) Please provide a list of all types of compensation (i.e. salary, overtime, share grant, LTIP,
20 etc.) that were paid in 2016 that: i) were included in the study, and ii) were not included in
21 the study.

22
23 c) Are there any additional types of compensation that will be paid in 2018 that were not in
24 2016?

25
26 d) Did Hydro One undertake a RFP process to select Mercer to undertake Compensation Cost
27 Benchmarking Study? If so, please provide a copy of the RFP. If not, please explain how
28 Mercer was selected.

29
30 **Response:**

31 a) The dollar amount over market median (\$71 million) is provided by Mercer, using its study
32 data. Hydro One then applies to the amount (a) the transmission-distribution ratio, and (b)
33 the OM&A-capital ratio determined by the Labour Content Method described in Exhibit D1,
34 Tab 3, Schedule 1, Attachment 1.

35
36 The calculation is provided below in Table 1. As shown in Table 1, the amounts for 2016
37 and 2018 for the difference between the weighted average total compensation for employees

1 allocated to the distribution business are \$19.5 million and \$17.5 million, respectively. For
 2 the appropriate net reduction to Hydro One Distribution's 2018 OM&A forecast, please see
 3 Exhibit I-40-SEC-84.
 4

5 **Table 1**

	2016	2017	2018
	Actual	Bridge	Test
\$ Over Median	\$71.0	\$71.0	\$71.0
TDOC Splits*			
*Consistent with Labour Content Method in Exhibit D1, Tab 3, Schedule 1, Attachment 1			
Tx OMA (%)	12.3%	17.6%	16.4%
Dx OMA (%)	27.4%	26.0%	24.7%
Tx Cap (%)	32.6%	31.0%	30.3%
Dx Cap (%)	27.7%	25.3%	28.6%
Allocation of \$			
Tx OMA (\$)	\$8.7	\$12.5	\$11.7
Dx OMA (\$)	\$19.5	\$18.5	\$17.5
Tx Cap (\$)	\$23.2	\$22.0	\$21.6
Dx Cap (\$)	\$19.7	\$18.0	\$20.3
Total	\$71.0	\$71.0	\$71.0

- 6
- 7 b) The compensation elements in the Mercer Study included base wages, STIP, LTIP and
 8 pension and benefits. Overtime compensation was not included.
 9
- 10 c) In 2018, MCP and Society employees were eligible to participate in the ESOP.
 11
- 12 d) A RFP process was not undertaken for the performance of this study. Mercer was selected by
 13 using a single source authorization in accordance with Hydro One's Supply Chain Policy.

School Energy Coalition Interrogatory # 84

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

Previous Proceeding; EB-2016-0160 Decision and Order

Interrogatory:

If the Board applied the same methodology as it applied to Hydro One's Transmission compensation cost reduction, what would be the annual reduction to distribution compensation costs? Please provide a step-by-step breakdown of the calculation.

Response:

The annual reduction to Hydro One Distribution 2018 OM&A would be \$5.3 million.

Based on the December 2016 Mercer study results which indicate that Hydro One's total compensation costs are 14% above market median, a reduction to Hydro One Distribution's OM&A costs as originally filed in March 2017 would be approximately \$17.5 million.

Since filing the Application in March 2017, Hydro One has made three reductions to the compensation component of its OM&A costs:

1. In June 2017, Hydro One reduced its 2018 pension OM&A costs by \$7.1 million due to the actuarial revaluation of pension expenses completed by Willis Towers Watson (see page 31 of Exhibit C1, Tab 1, Schedule 7);
2. In December 2017, Hydro One reduced its 2018 OPEB OM&A costs by \$1.9 million (see pages 5-6 of Exhibit Q, Tab 1, Schedule 1); and
3. In December 2017, Hydro One 2018 executive compensation OM&A costs by \$3.2 million (see pages 5-6 of Exhibit Q, Tab 1, Schedule 1).

Therefore, the net reduction would be \$5.3 million.

Please be advised that Hydro One has commissioned two additional compensation benchmarking studies.

Witness: MCDONELL Keith

- 1
- 2 1. Hydro One engaged Willis Tower Watson to conduct a compensation benchmarking study
- 3 for PWU-represented positions. This study benchmarked the majority of typical and highly
- 4 populated positions at Hydro One. The study is provided as Attachment 1 to Exhibit I-3-
- 5 SEC-3.
- 6
- 7 2. In preparation for filing a transmission application later this year, Hydro One has engaged
- 8 Mercer to conduct another total compensation benchmarking study. This study is currently
- 9 being finalized, and Hydro One will file the results in this proceeding after the study is
- 10 completed.

1 **The Society of Energy Professionals Interrogatory # 5**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 F1-03-01 Page: 6
10

11 **Interrogatory:**

- 12 a) Please provide Networks' rationale for concluding that the portion of its annual cash pension
13 contributions that is attributable to past service should not be barred from capitalization
14 under the substance of the guidance found in Financial Accounting Standards Board's
15 (FASB's) new accounting interpretation ASU-2017-07.
16
- 17 b) Has Networks' conclusion that the new accounting interpretation is not applicable to its cash
18 pension costs been tested with the company's external auditor and have they concurred with
19 Networks' view that ASU-2017-07 is not applicable in substance as well as in form?
20

21 **Response:**

- 22 a) Based on the most recent actuarial valuation as at December 31, 2016, Networks pension
23 contributions as confirmed with our actuaries is such that the minimum cash funding
24 requirement is equal to the normal cost and as a result there is no past service component.
25 Furthermore, the non-service cost components to which the provisions of ASU 2017-07
26 relate are as defined in ASC 715-30-35-4 and ASC 715-60-35-9, which relate to accrual basis
27 benefit costs.
28
- 29 b) Networks has previously discussed the applicability of ASU 2017-07 with its external
30 auditors and continues to do so as the ASU is implemented in the first quarter of 2018.
31

32 Hydro One would like to point out that the external auditor bases their audit opinion on the
33 financial statements as a whole, to ensure they are not materially misstated and not on
34 specific estimation decisions, transactions or interpretation of accounting standards.

1 **The Society of Energy Professionals Interrogatory # 6**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 Previous Proceeding; EB-2016-0160

10 In its EB-2016-0160 Transmission decision, the OEB determined that Networks' Transmission
11 business should continue to have its pension costs regulated on a cash basis for 2017 and 2018
12 but also ordered that, if Transmission "proposes to continue using the cash method as the basis
13 for recovering its pension costs beyond December 31, 2018, then, in its next transmission
14 revenue requirement proceeding, Hydro One will provide evidence that addresses the principles,
15 practices, and policy determinations in accordance with the provisions of the Pension and OPEBs
16 Report."

17
18 **Interrogatory:**

- 19 a) Does Networks intend to update its application to reflect its plans to implement the policy
20 recommendations found in the OEB's EB-2015-0040 Report on the "Regulatory Treatment
21 of Pension and Other Post-employment Benefits (OPEBs) Costs?"
22
- 23 b) Specifically, please state whether Distribution will seek to record pension costs on a cash or
24 accrual basis during the rate years.
25
- 26 c) If Distribution intends to provide evidence at some future date arguing in favour of a
27 permanent retention of the cash method for regulating its pension costs, please provide an
28 overview of such justification.
29

30 **Response:**

- 31 a) Hydro One Networks will continue to recognize its pension costs on the cash basis and will
32 request to have pensions costs included in rates on the cash basis.
33
- 34 b) Please see response to part a).
35
- 36 c) Please refer to Exhibit I-40-Staff-211.

1 **Response:**

2 a) Due to the nature of Hydro One Pension Plan, there may be certain complexities in
3 implementing accrual accounting for the Pension Plan, however Networks has not completed
4 the detailed analysis necessary to implement accrual accounting for the pension plan, and
5 therefore is not in a position to provide further details.

6
7 b) Further to our response to part a, Hydro One is unable to comment on issues that members of
8 OMERS face in carrying out accrual accounting.

1 *The Society of Energy Professionals Interrogatory # 8*
2

3 *Issue:*

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 *Reference:*

9 Q-01-01-01
10

11 At assorted points in the exhibit, it is stated that Hydro One has received an updated valuation for
12 its other post-employment benefits (“OPEB”) plan which has resulted in lower OM&A and
13 capital expenditures.
14

15 *Interrogatory:*

16 a) Please file the updated OPEB valuation.
17

18 b) Please update the filed OPEB evidence found in Exhibit C1-2-2 pp4-5 section 5.1, including
19 Table 2 “OPEB Costs Included in Rates (\$ Millions)”, to reflect this updated OPEB
20 valuation.
21

22 c) Please update Exhibit C1-2-1, Appendix B “Hydro One Distribution-Allocated
23 Compensation Costs (2014-2022)” to reflect the impact of the updated OPEB valuation.
24

25 *Response:*

26 a) Please see Exhibit I-40-Staff-215, Attachment 1.
27

28 b) Please see updated table below:

OPEBs \$M	First Year of recovery to 2012	2013	2014	2015	2016	2017	2018	Total
Amounts included in Rates								
OM&A	395	32	33	28	26	23	26	563
Capital	268	22	23	34	30	26	25	428
Total	662	54	56	62	56	49	51	990
Paid benefit amounts	283	24	26	27	24	30	26	440
Net excess amount included in rates relative to amounts actually paid.	379	30	30	35	32	19	25	550

1
 2
 3

c) Please see attached calculation for the updated Appendix B.

Labour Component Distribution

MCP	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	38,364,187	40,563,964	44,021,905	46,690,212	49,074,770	49,579,097	48,886,318	47,873,177	48,830,640
Burdens	25,773,061	27,562,357	23,117,573	24,741,693	25,711,552	25,990,659	25,582,182	24,998,469	25,574,944
Other Allowances	3,965,808	2,783,396	4,313,744	4,048,628	4,279,923	4,348,970	4,300,665	4,217,666	4,302,019
STI	4,769,024	5,280,942	6,280,535	5,974,927	6,316,270	6,418,168	6,346,880	6,224,391	6,348,879
LTI			926,143	3,893,438	5,824,760	5,625,313	5,464,256	5,300,842	5,441,212
ESOP			799,197	902,159	911,181	920,293	929,496	938,791	948,178
Distribution Total	72,872,080	76,190,658	79,459,097	86,251,056	92,118,456	92,882,499	91,509,797	89,553,335	91,445,872

Society	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	75,689,891	77,185,295	79,896,923	80,327,794	85,406,940	85,271,924	82,738,905	79,558,999	79,956,794
Overtime	4,029,156	3,788,344	5,240,140	3,010,299	3,036,352	3,042,689	3,044,569	3,044,157	3,059,378
Lump Sums			757,623	1,385,814	-	-	-	-	-
Burdens	50,848,469	52,445,778	41,956,906	42,566,643	44,746,925	44,701,772	43,297,222	41,544,207	41,877,200
Share Grants					1,489,275	1,474,306	1,410,069	1,300,342	1,228,666
Distribution Total	130,567,516	133,419,417	127,851,592	127,290,550	134,679,492	134,490,692	130,490,765	125,447,705	126,122,038

PWU	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Pay	166,554,177	168,767,821	178,400,835	171,624,220	177,985,805	181,793,217	177,529,193	171,927,760	173,268,590
Overtime	39,001,377	32,831,201	45,703,166	25,592,126	25,589,719	26,267,680	26,452,850	26,639,098	26,842,237
Lump Sums		1,551,922	3,233,471	-	-	-	-	-	-
Burdens	111,891,096	114,674,170	93,685,049	90,945,694	93,251,408	95,300,758	92,900,926	89,777,429	90,749,054
Share Grants				3,991,098	4,050,829	4,010,113	3,835,388	3,536,931	3,341,972
Distribution Total	317,446,650	317,825,115	321,022,520	292,153,138	300,877,761	307,371,768	300,718,357	291,881,218	294,201,853

Temps	2014	2015	2016	2017	2018	2019	2020	2021	2022
Casual Trades	72,600,869	70,901,026	78,244,679	79,448,861	84,499,557	82,600,879	83,157,282	83,816,562	84,689,539
MCP	1,165,082	1,226,207	1,752,571	1,311,379	1,340,578	1,362,206	1,347,075	1,276,025	1,301,545
Society	2,453,938	2,421,692	2,232,127	1,999,422	1,865,953	1,651,304	1,608,948	1,554,693	1,562,466
PWU	11,017,691	6,617,444	7,533,423	4,405,702	3,999,795	3,993,690	3,910,613	3,768,268	3,805,951
Overtime	14,126,632	10,757,207	14,214,548	7,744,112	8,063,695	7,959,683	8,042,002	8,139,071	8,223,240
Other Allowances	-	-	-	-	-	-	-	-	-
Burdens	6,436,628	5,938,744	6,694,070	6,144,266	6,586,151	6,515,853	6,589,437	6,699,604	6,980,664
Distribution Total	107,800,840	97,862,320	110,671,417	101,053,740	106,355,729	104,083,616	104,655,358	105,254,223	106,563,405

Distribution Total Compensation	628,687,087	625,297,510	639,004,626	606,748,484	634,031,439	638,828,575	627,374,277	612,136,482	618,333,169
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The Society of Energy Professionals Interrogatory # 9

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-01-05 Page: 8

“the 2016 Compensation Cost Benchmarking Study directly reflected exactly 2,991 Hydro One employees in 31 benchmark positions representing 57% of Hydro One’s employee population (excluding non-full time employees).”

Interrogatory:

- a) (i) Please provide Hydro One’s definition of “non-full time employees”.
(ii) How does this definition vary from Hydro One’s definition of “non-regular” staff?
- b) (i) Did Mercer apply Hydro One’s definition of “non-full time employees” in its preparation of the benchmarking study?
(ii) If Mercer did not use Hydro One’s definition of “non-full time employees” in its preparation of the benchmarking study, please provide the definition which Mercer did apply for “non-full time employees”.
- c) Please confirm that none of the 2,991 Hydro One employees included in the sample are non-full time employees.
- d) (i) If some of the 2,991 Hydro One employees included in the sample are non-full time employees please provide their number and the percentage they represent of Hydro One’s employee population (excluding non-full time employees). Also provide these figures by Hydro One “group” (ie Non-represented, Professionals, Power Workers).
(ii) What impact would excluding these employees have on the confidence level of the results of the study?
- e) (i) If some of the 2,991 Hydro One employees included in the sample are non-full time employees please provide their number and the percentage they represent of Hydro One’s employee population (**in**cluding non-full time employees). Also provide these figures by Hydro One “group” (ie Non-represented, Professionals, Power Workers).
(ii) Using the employee sample percentages calculated in (i), what impact do these smaller sample percentages have on the confidence level of the results of the study?

1 **Response:**

2 a)

- 3 i) In that study, Hydro One understands “non full time employees” to be either employees
4 who did not work full time hours or who were not regular employees.
5 ii) Both would be the same.

6
7 b)

- 8 i) Hydro One understands that Mercer applied the definition provided above. It should be
9 noted that Mercer used the term “ non full time employees” in the context of calculating
10 the percentage of Hydro One employees in the benchmarked positions. Mercer was
11 aware that some of the Hydro One employees in the study were non-regular employees.
12 ii) See response to b) i).

13
14 c) All of the Hydro One employees worked full time hours. 700 of the 2991 employees were
15 non-regular employees (15 temporary, 685 casual).

16
17 d)

- 18 i) 700 non regular employees would represent approximately 13% of the regular 2016
19 workforce. All of the 685 casual employees are PWU represented. The breakdown of the
20 15 temporary employees is:
21 • 11 Society represented;
22 • 3 MCP; and
23 • 1 PWU represented.

- 24
25 ii) This cannot be determined unless an analysis is conducted to exclude these positions.
26 However, it is important to note that data for all non-full-time employees were annualized
27 to reflect a standard work week (that is 100% full time equivalent). As such, the results
28 were not impacted by employees that work non-full time hours.

29
30 e)

- 31 i) 700 non regular employees would represent approximately 8% of the total 2016
32 workforce.
33 ii) See d) ii)

1 result of the increased employee contributions for Distribution are stated to be \$10.9M (for
2 Hydro One total it would presumably be about double that figure). Please recalculate where
3 Hydro One compensation would be versus market median (as provided for 2016 in Exhibit
4 C1-2-1, Table 9 pp37) if the annual pension contribution reflected the increased employee
5 pension contributions in 2018.

6
7 d) As per Exhibit C1-2-1, Table 5 “Negotiated PWU and Society Base Rate and Lump Sum
8 Increases”, pp29, Society base rate increases were 0.5% in each of 2016, 2017 and 2018.
9 Assume inflation in Canada was and will be about 2% per year for 2017 and 2018, and
10 general wage increases were and will be also in that range. Recalculate where Society and
11 Hydro One compensation would be versus market median (as provided for 2016 in Exhibit
12 C1-2-1, Table 9 pp37) in 2018 with Society base wage increases of only 0.5% in each of
13 2017 and 2018 as compared to annual wage increases of about 2% for the market median.

14
15 e) As per Exhibit Q-1-1, due to an updated OPEB valuation, 2018 Distribution compensation
16 costs are about \$3.7M lower (\$1.9M in OM&A and \$1.8M in capex). Please recalculate
17 where Hydro One compensation would be versus market median (as provided for 2016 in
18 Exhibit C1-2-1, Table 9 pp37) if the annual OPEB costs reflected this new OPEB valuation.

19
20 f) Please recalculate where Hydro One compensation would be versus market median (as
21 provided for 2016 in Exhibit C1-2-1, Table 9 pp37) if the annual pension contribution were
22 about \$73M per year as it is starting in 2017 [as calculated in part b) above], if the annual
23 pension contribution reflected the increased employee pension contributions in 2018 [as
24 calculated in part c) above], market median wages increased by 2% per year for two years
25 whereas Society base wages only increase by 0.5% per year [as calculated in part d) above],
26 and OPEB costs were about \$3.7M lower [as calculated in part e) above].

27
28 **Response:**

29 a) Mercer did not use Hydro One’s actual pension contribution when conducting its
30 compensation cost study.

31
32 The Mercer study is a compensation report that estimates the pension value as a percentage
33 of base salary to be comparable to other elements of compensation. The pension value is
34 calculated as the projected future pension value divided by projected future salary for a
35 weighted average population. This estimated value should not be applied to a company’s
36 overall payroll to determine an expected cost in a given year since it is meant to reflect the
37 future value of a pension using standard demographic and financial assumptions that would

1 be reasonable for all organizations in the benchmark. The purpose of Mercer's valuation
2 approach is to determine the relative value of Hydro One's pension plan when compared to
3 other organizations. Actual pension contribution (consisting of service cost and special
4 payments) is not collected or used by Mercer in the study. The results of the compensation
5 study cannot be directly compared to the actual costs of the pension plan
6

7 b) See part a).

8
9 c) See Part a).

10
11 d) Only Mercer can do these calculations. The results would be misleading since other
12 compensation elements that make up total compensation would also have to be factored into
13 such an analysis.
14

15 e) See part a).

16
17 f) See part a).

1 **The Society of Energy Professionals Interrogatory # 12**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01-05 Page: 14 - Table 6 “Mercer 2016 Compensation Cost Benchmarking Study”

10
11 **Interrogatory:**

- 12 a) The referenced table compares to market median the compensation of seven sampled Society
13 represented positions: Engineers A to E as well as Business Analyst A and B.
- 14
- 15 i. Please provide the MP classification for each of these positions ie MP2, MP3, MP4,
16 MP5, MP6.
- 17 ii. Do any of the Mercer classifications (eg Engineer A, Business Analyst B etc) contain
18 more than one MP classification eg Business Analyst B contains both MP4 and MP5
19 Society staff.
- 20
- 21 b) In which Mercer position category do engineers in training fall?
- 22
- 23 c) Please provide the number of engineers in training for each of 2014 to 2022 year end for each
24 of Transmission, Distribution and total Hydro One.

1 **Response:**

2 a) Please see the responses below.

3
4 i)

2016 Survey Position Title	Hydro One Pay Scale Group
Engineer A	MP2
Engineer B	MP2
Engineer C	MP3
Engineer D	MP4
Engineer E	MP5
Business Analyst A	MP2
Business Analyst C	MP4

5
6 ii) Engineer A and B are both at the MP2 level.

7
8 b) Engineers in training (EIT) fall into the “Engineer A” category.

9
10 c) Please see the table below.

Number of EITs			
	Regular	Temp	Total
2014	32	4	36
2015	22	2	24
2016	11	1	12
2017	17	3	20

11
12 In 2018, Hydro One currently plans to hire three Engineers-in-Training. No further
13 commitment has been made beyond 2018.

The Society of Energy Professionals Interrogatory # 13

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-01-06

Interrogatory:

- a) Please update the referenced table to reflect the impact of the updated OPEB valuation as per Exhibit Q-1-1.
- b) For each of Transmission, Distribution and Hydro One Total, please update the referenced table as revised in part a. above to include average annual compensation per FTE as well as the % change in such for each of 2014 to 2022 for Non-represented, Society, PWU, Temporary and Hydro One Total.
- c) Please also complete the following table based on the data provided in part b) for each of Transmission, Distribution and Hydro One total:

Distribution Program Compensation Changes per FTE	2014-2022	2017-2022
	DELTA %	DELTA %
Unrepresented Avg Compensation/FTE Total Increase	0.00%	0.00%
Unrepresented Avg Annual Compensation/FTE Increase	0.00%	0.00%
Society Avg Compensation/FTE Total Increase	0.00%	0.00%
Society Avg Annual Compensation/FTE Increase	0.00%	0.00%
PWU Avg Compensation/FTE Total Increase	0.00%	0.00%
PWU Avg Annual Compensation/FTE Increase	0.00%	0.00%
Temp Avg Compensation/FTE Total Increase	0.00%	0.00%
Temp Avg Annual Compensation/FTE Increase	0.00%	0.00%
Hydro One Avg Compensation/FTE Total Increase	0.00%	0.00%
Hydro One Annual Compensation/FTE Increase	0.00%	0.00%

- d) Please also provide these tables calculated in parts b) and c) above in Excel format.

Witness: MCDONELL Keith

Filed: 2018-02-12
EB-2017-0049
Exhibit I
Tab 40
Schedule SEP-13
Page 2 of 2

- 1 **Response:**
- 2 Please refer to I-40-SEP-13-01 (attached MS Excel spreadsheet).

1 **The Society of Energy Professionals Interrogatory # 14**
2

3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 C1-02-01 Page: Appendix A

10 Figure 1: Society Pension Changes - Legacy Pension Plan

11 Figure 2: Society Pension Changes - Post November 2005 Members

12 Figure 3: MCP Pension Changes

13 The above referenced figures provide annual Society pension changes for each of pre-2013 to
14 2018 whereas MCP pension changes are provided until only 2016.
15

16 **Interrogatory:**

17 a) i) Please update Figure 3 to provide MCP pension changes for 2017 and 2018.

18 ii) Please explain the rationale and methodology to derive these figures for 2017 and 2018.
19

20 b) Does the data provided in a. above change Hydro One's pension contribution costs in 2017
21 and 2018? If it does, please revise these Hydro One pension contribution cost figures in
22 evidence.
23

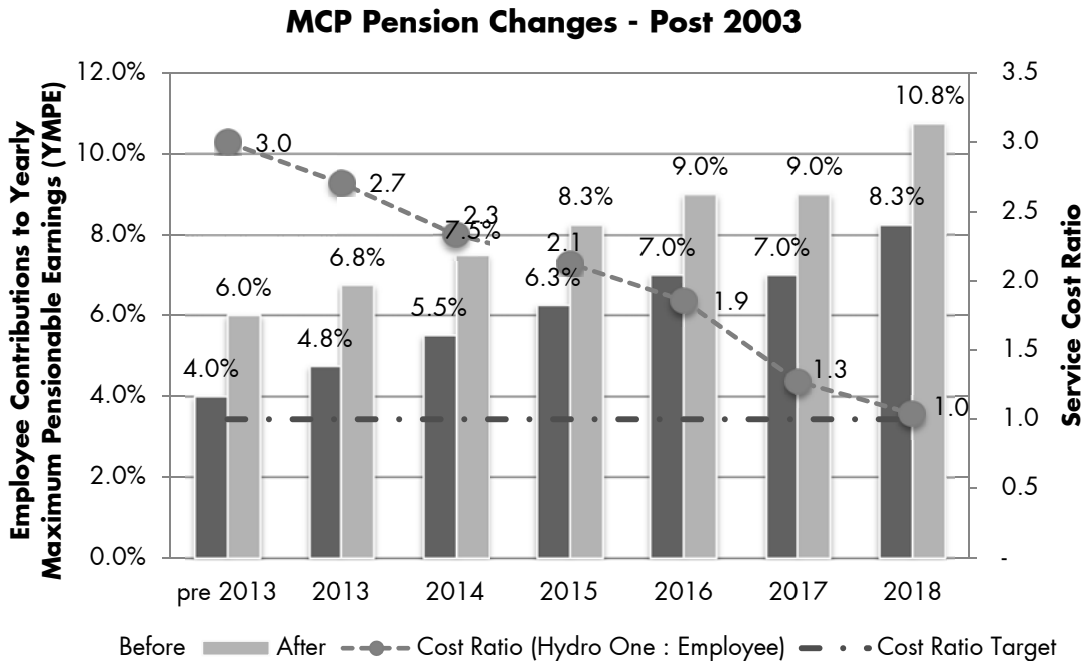
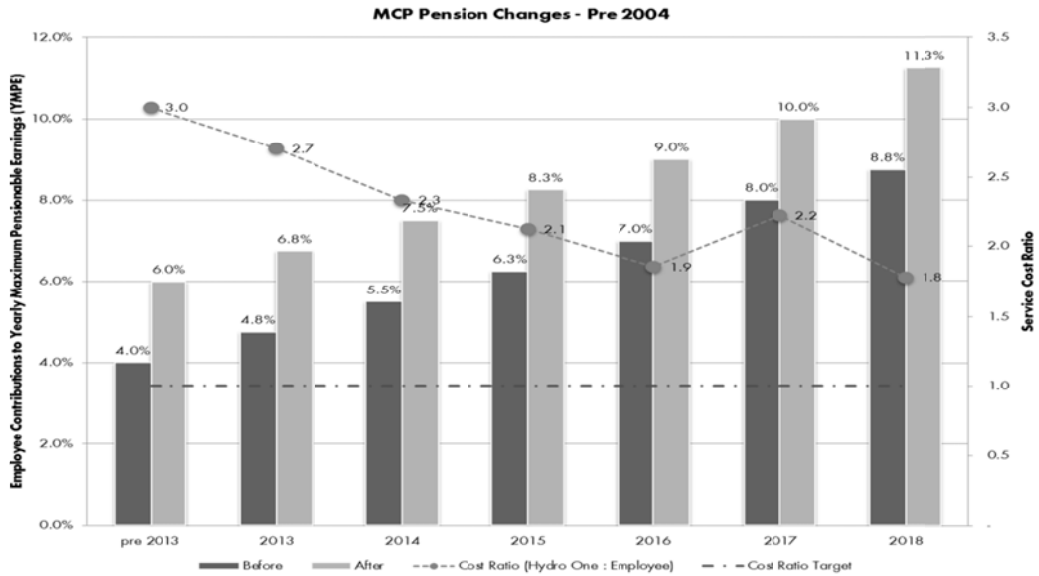
24 c) If the 2018 MCP contribution figures provided in a. above vary from the 2018 Society Tier 2
25 pension contribution levels as provided in the referenced Figure 2, please explain why. In
26 particular, if the MCP pension contribution levels are lower than Society Tier 2 please justify
27 this discrepancy.
28

29 d) Please provide in one table all the data found in Exhibit C1 Tab 2 Schedule 1, Figure 5
30 "PWU employee pension contribution increases 2013-2018" and Appendix A Figures 1, 2, 3.
31 In this table please use the updated figures asked for in a. above [the MCP pension plan
32 contributions for pre-2013 to 2018]. Please also provide this table in excel format.
33

34 e) Also provide in the table produced in d. above the employee pension contributions for second
35 tier MCP staff (i.e. those hired post-2004).

Response:

a) i) See the updated Figure 3 below.



ii) The employer–employee pension ratio calculations were calculated by Willis Tower Watson based on the going concern valuation results of December 2016.

- 1 b) MCP (pre 2004) employee pension contributions increase to 8.0%/ 10.0% and 8.75%/11.25%
 2 in 2017 and 2018 respectively. MCP (post 2003) employee pension contributions increase to
 3 7.75%/ 9.75% and 8.25%/ 10.75 % in 2017 and 2018 respectively.
 4
 5 c) The post 2003 MCP and the post November 2005 Society employee pension contributions
 6 are the same.
 7
 8 d) See the requested table below.

Representation	Pre 2003		2013		2014		2015		2016		2017		2018								
	Employee Contribution	Ratio	Employee Contribution	Ratio	Employee Contribution	Ratio	Employee Contribution	Ratio	Employee Contribution	Ratio	Employee Contribution	Ratio	Employee Contribution	Ratio							
PWU	4.50%	6.50%	4.00	5.50%	7.50%	3.2	6.25%	8.25%	2.7	7.25%	9.25%	2.1	8.25%	10.25%	1.8	8.75%	11.25%	1.6	8.75%	11.25%	1.5
Society - Legacy	4.0%	6.0%	4.3	5.3%	7.25%	3.2	6.25%	8.25%	2.7	7.00%	9.00%	2.3	7.50%	9.50%	2.1	8.25%	10.25%	1.9	8.75%	11.25%	1.7
Society - Post 2005	4.0%	6.0%	2.6	4.8%	6.75%	2.1	5.75%	7.75%	1.7	6.50%	8.50%	1.4	7.00%	9.00%	1.3	7.75%	9.75%	1.1	8.25%	10.75%	1.0
MCP- pre 2004	4.0%	6.0%	3.0	4.8%	6.75%	2.7	5.50%	7.50%	2.3	6.25%	8.25%	2.1	7.00%	9.00%	1.9	8.00%	10.00%	2.2	8.75%	11.25%	1.8
MCP - post 2003	4.0%	6.0%	3.0	4.8%	6.75%	2.7	5.50%	7.50%	2.3	6.25%	8.25%	2.1	7.00%	9.00%	1.9	7.75%	9.75%	1.3	8.25%	10.75%	1.0

- 9
 10
 11 e) Please see table above.

The Society of Energy Professionals Interrogatory # 15

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

Previous Proceeding Page: EB-2016-0160 – Exhibit I-08-19 parts a. and b.

Interrogatory:

- a) i) Please update the table provided in response to part a. of the referenced exhibit with year end actuals for 2016 and 2017 and projected 2018 year end.
- ii) Please confirm or update as required the actuals previously provided for 2013 to 2015.
- b) Please provide in excel format the table put forward in part a. above.
- c) Please update as necessary the response provided to part b. of the referenced exhibit.

Response:

a) For parts (i) and (ii), please see the following table.

2015						
REPRESENTATION	Regular Employees	Retirements	Attrition - Non Retirement	Total Attrition %	External Hires	% of Headcount
PWU Reg	3,350	94	35	3.85	205	6.12
SOCIETY Reg	1,285	33	12	3.50	19	1.48
MCP Reg	585	28	15	7.35	21	3.59
Total Reg	5,220	155	62	4.16	245	4.69
2016						
REPRESENTATION	Regular Employees	Retirements	Attrition - Non Retirement	Total Attrition %	External Hires	% of Headcount
PWU Reg	3,391	127	21	4.4%	129	3.80
SOCIETY Reg	1,400	48	13	4.4%	22	1.57
MCP Reg	670	27	28	8.2%	60	8.96
Total Reg	5,461	202	62	4.8%	211	3.86
2017						
REPRESENTATION	Regular Employees	Retirements	Attrition - Non Retirement	Total Attrition %	External Hires	% of Headcount
PWU Reg	3,395	164	26	5.6%	191	5.63
SOCIETY Reg	1,377	66	17	6.0%	51	3.70
MCP Reg	681	39	50	13.1%	73	10.72
Total Reg	5,453	269	93	6.6%	315	5.78
2018						
REPRESENTATION	Regular Employees	Retirements	Attrition - Non Retirement	Total Attrition %	External Hires	% of Headcount
PWU Reg	3,444	280	27	8.9%	NA	NA
SOCIETY Reg	1,380	102	14	8.4%	NA	NA
MCP Reg	675	61	31	13.6%	NA	NA
Total Reg	5,499	443	72	9.4%		

- 1 b) See Exhibit I-40-SEP-15-1 filed in MS Excel.
2
3 c) During the business planning process, lines of businesses are asked to improve performance
4 and focus more on core operations. Hydro One has invested significant funds into IT and
5 infrastructure, expecting productivity improvements. It is often the case that Society-
6 represented employees are in such roles. As employees leave the organization, there will be a
7 renewed focus on whether the role needs to be replaced. Any other required reduction in staff
8 would be in accordance with collective agreement processes.

1 iv) How do the Hydro One 2018 staff diversity profile target levels compare to the
 2 comparable 2016 Canada census data?

3
 4 v) Please explain any gaps between Hydro One's 2018 staff diversity profile target levels and
 5 the comparable 2016 Canada census data.

6
 7 vi) What steps is Hydro One taking to close any gaps?

8
 9 d) i) How does the Hydro One shift in its staff diversity profile levels from 2010 actuals to its
 10 2018 target levels compare to such between the comparable 2006 to 2016 Canada census
 11 data?

12
 13 ii) Please explain any gaps between the Hydro One staff diversity profile progression from
 14 2010 actuals to 2018 target levels as compared to that between the 2006 to 2016 Canada
 15 census data.

16
 17 iii) What steps is Hydro One taking to close any such gaps?

18
 19 **Response:**

20 a) See the following tables which show Hydro One's staff diversity profile over time. Attached
 21 is a MS Excel file containing this data.
 22

Representation	Women	Women	Women	Women
Year	2010	2015	2016	2017
MCP	28.6%	29.3%	31.5%	34.9%
Society	24.4	25.7%	27.0%	27.7%
PWU	19.1%	18.7%	18.6%	18.6%
Total of Employees	21.4%	21.7%	22.3%	22.8%

Representation	Aboriginal	Aboriginal	Aboriginal	Aboriginal
Year	2010	2015	2016	2017
MCP	2%	2.3%	1.2%	1.7%
Society	0.4%	0.7%	0.8%	0.7%

PWU	3.0%	2.9%	3.1%	3.3%
Total of Employees	2.3%	2.3%	2.3%	2.4%

Representation	Visible Minority	Visible Minority	Visible Minority	Visible Minority
Year	2010	2015	2016	2017
MCP	13.9%	18.0%	18.5%	19.7%
Society	26.6%	27.1%	27.9%	27.9%
PWU	4.1%	3.7%	3.9%	4.1%
Total of Employees	10.7%	11.4%	11.7%	12.0%

Representation	Disability	Disability	Disability	Disability
Year	2010	2015	2016	2017
MCP	2%	1.1%	1.1%	1.1%
Society	1.7%	1.7%	1.5%	1.3%
PWU	3.3%	2.1%	2.0%	1.7%
Total of Employees	2.7%	1.9%	1.8%	1.5%

Please note: Hydro One is AODA compliant and makes accommodation for disability.

- 1
 2 b) Attachment 1 shows the changes. There has been a slight increase for women and visible
 3 minorities through the years. Targets for 2018 have yet to be established.
 4
 5 c) See below.
 6 i. Hydro One has 2011 labour market availability information. For 2016, the census
 7 data came out at the end of 2017, but what is publicly available is only
 8 information on the breakdown of women by NOC code. Information on other
 9 equity groups is not currently available
 10
 11 ii. Hydro One has not done this analysis as the 2016 labour market availability
 12 census data is not yet available.

Witness: MCDONELL Keith

1 iii. see ii)

2
3 iv. Targets were not approved for 2018, and 2016 census data is not available so
4 Hydro One does not have this information

5
6 v. Hydro One currently does not have this information

7
8 vi. Although Hydro One does not have a comparison of its current diversity levels,
9 with 2016 census data, Hydro One is committed to increasing the number of
10 women in senior management roles (directors and above) and Indigenous people
11 across the organization.

12
13 d) Hydro One's diversity profile for 2010 in comparison to the 2011 labour market availability
14 (not 2006) is as follows:

15

Representation	Hydro One 2010 Diversity Actuals	2011 Labour Market Availability
Women	21.4%	21.7%
Visible Minority	10.7%	19.5%
Aboriginal	2.3%	2.3%
Disability	2.7%	4.3%

16
17 i. Hydro One's diversity profile in 2010 was on par with the labour market
18 availability for women and aboriginals but considerably lower than labour market
19 availability for visible minorities and people with disabilities.

20
21 ii. It is evident that Hydro One has been focusing most of its efforts in increasing the
22 number of women in the work force and ensuring that, at a minimum, Hydro One
23 is maintaining the number of Indigenous people in the workforce.

24
25 iii. For the first time Hydro One has developed a diversity and inclusion strategy. It
26 is conducting a corporate-wide diversity and inclusion effectiveness review to
27 look at its workforce from a diversity lens, assess its data across the talent
28 management life cycle, and conduct a survey to ascertain employees' perceptions
29 of diversity and inclusion at Hydro One. With this information, Hydro One will
30 create a multi-year plan that will help meet its goals of building a diverse
31 workforce and creating a culture of inclusion.

Active Initiative	Budget Amount 2016	Budget Amount 2017	Notes
The Diversity Committee (Equal representations of PWU, MCP, Society, CUSW)	\$0K	\$0K	Perviously known as Diversity Tri-partite Committee
Hydro One Diversity/Employee Calendar	\$10K	\$15K	
Diversity Lunch and Learns Series (3 per year)	\$6K	\$6K	
Hydro One Women in Engineering University Partnership	\$1.4 M	\$1.4 M	Renewed WIE University Partnership 2018 to 2022
The Hydro One Women In Engineering Scholarship	\$50K	\$50K	
Women In Trades Technology and Engineering Network	\$10k allocated for Symposium	\$10K allocated for Symposium	Employee Resource Group
Ontario Engineering Competition	\$7K	\$7K	
Women In Trees through Fleming College	\$3K	\$3K	
OnWiE Sponsorship and Go Eng Girl	TBD	TBD	
Catalyst Membership	\$15K	\$15K	
EHRC Connected Women Steering Committee	\$0K	\$0K	
Hydro One Women In Leadership Program	\$50K	\$50K	
WXN – Women’s Executive Network Membership	\$9,750	\$9,750	
Skills Canada – Ontario – Mentorships and Workshops and Career Fairs	\$25K		
Confederation College Pre-Tech program for Aboriginals	\$750K over 3 years	\$750K over 3 years	Final Year
Leonard S. (Tony) Mandamin Scholarship	\$75K	\$75K	
Aboriginal Network Circle	TBD		
Indeginous Relations Department	\$0K	\$0K	Formally known as First Nation & Métis Relations Department
Nation Talk Membership	\$4,520	\$4,520	
The Aboriginal Procurement Procedure	\$0K	\$0K	
William Peyton Hubbard Memorial Award	\$10K	\$10K	
The Hydro One AID Network (Accessibility, Inclusivity, Disability)	\$0K	\$0K	Employee Resource Group
Lean In Circle		\$0K	Employee Resource Group (Pilot)
Men Advocating Real Change Workshop	\$30K	\$30K	Catalyst and MARC Initiative
Indeginous Network Circle Workshop		\$5K	Employee Resource Group
Diversity Effectiveness Review Project		\$250K	

Active Initiative	Budget Amount 2016	Budget Amount 2017	Notes
The Diversity Committee (Equal representations of PWU, MCP, Society, CU)	\$0K	\$0K	Perviously known as Diversity Tri-partite Committee
Hydro One Diversity/Employee Calendar	\$10K	\$15K	
Diversity Lunch and Learns Series (3 per year)	\$6K	\$6K	
Hydro One Women in Engineering University Partnership	\$350K	\$350K	Renewed WIE University Partnership 2018 to 2021 (4 year commitment)
The Hydro One Women In Engineering Scholarship	\$50K	\$50K	
Women In Trades Technology and Engineering Network	\$10k allocated for Symposium	\$40K allocated for Symposium	Employee Resource Group
Ontario Engineering Competition	\$7K	\$7K	
Women In Trees through Fleming College	\$3K	\$5K	Sponsorship
OnWIE Sponsorship and Go Eng Girl	TBD	TBD	
Catalyst Membership	\$15K	\$15K	
EHRC Connected Women Steering Committee	\$0K	\$0K	
Hydro One Women In Leadership Program	\$50K	\$50K	
WXN – Women’s Executive Network Membership	\$9,750	\$9,750	
Skills Canada – Ontario – Mentorships and Workshops and Career Fairs	\$25K	\$50K	2017 to 2019 - 3 year commitment
Confederation College Pre-Tech program for Aboriginals	\$750K over 3 years	\$750K over 3 years	Final Year
Leonard S. (Tony) Mandamin Scholarship	\$75K	\$75K	
Indigenous Network Circle Workshop		\$5K	Employee Resource Group / Formally known as Aboriginal Network Circle
Indigenous Relations Department	\$0K	\$0K	Formally known as First Nation & Métis Relations Department
Nation Talk Membership	\$4,520	\$4,520	
The Aboriginal Procurement Procedure	\$0K	\$0K	
William Peyton Hubbard Memorial Award	\$10K	\$10K	
The Hydro One AID Network (Accessibility, Inclusivity, Disability)	\$0K	\$0K	Employee Resource Group
Lean In Circle		\$0K	Employee Resource Group (Pilot)
Men Advocating Real Change Workshop	\$30K	\$30K	Catalyst and MARC Initiative
Diversity Effectiveness Review Project		\$25K	
Queen's Native Student Association - Conference 2017		\$3.5K	Sponsorship
Little NHL		\$20K	Sponsorship
INDSPRIRE 2017 Soaring Youth Career Conference		\$10K	Sponsorship
Leadership Conference for Women in Energy - Canada		\$5K	Sponsorship
Aboriginal Apprenticeship Board of Ontario 2017 Conference		\$5K	Sponsorship
University of Western - Just for Girls Summer Camps and Aboriginal Summer Programming		\$3K	Sponsorship
Biigtigong Nishnaabeg First Nation Wow		\$1K	Sponsorship
Nokiwn Tribal Council - Everybody will Gather Together event		\$1K	Sponsorship
2017 North American Indigenous Games		\$325K	Sponsorship
Six Nations of the Grand River Cultural Program		\$10K	Sponsorship
Chapleau Cree First Nation 24th Annual Traditional Gathering/ Pow Wow		\$500	Sponsorship
Anishinabek Evening of Excellence		\$1K	Sponsorship
Mattagami First Nation Annual Traditional PowWow		\$1K	Sponsorship
Metis Nation of Ontario Annual General Assembly		\$5K	Sponsorship
Ontario First Nations Tech. Services Conference & Trade Show		\$2K	Sponsorship
Aboriginal Youth Career Awareness Fair - 14th Annual Event		\$500	Sponsorship
27th Annual NADF Business Awards		\$6K	Sponsorship
Indigenous Knowledge Conference		\$250	Sponsorship
Chiefs of Ontario Leaders in the Legislature & Special Chiefs Assembly		\$5K	Sponsorship
National Indigenous Youth Summit		\$5K	Sponsorship

1 **OEB Staff Interrogatory # 204**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 C1-02-01 Page: 9
10

11 **Interrogatory:**

12 Table 1 shows Full Time Equivalents from 2017 to 2022 for various employee categories. For
13 2017 the number of Casual employees is 2802 or about 33% of the total FTEs. This ratio
14 remains the same for 2022.
15

- 16 a) Does Hydro One consider the 33% ratio to be optimal in terms of casual employees?
17
18 b) Will the percentage of Casual employees be increased into the 2019 – 2022 period?
19

20 **Response:**

- 21 a) Hydro One does consider this ratio to be an effective use of casual resources. The use of the
22 PWU Hiring Hall is not to replace the regular workforce but rather to enable Hydro One to
23 supplement the regular workforce with mobile and flexible workers to perform seasonal and
24 supplemental trades work. Hiring Hall employees are used mainly for specific skills while
25 the regular trade employees use their multi skilled training to perform more complex work.
26 The other category of casual employees, casual construction, perform work based on their
27 scope clauses.
28
29 b) Please refer to Table 1 in Exhibit C1 Tab 2 Schedule 1 (page 9). There is a slight increase in
30 the PWU Hiring Hall classification, and the casual construction resource level remains
31 constant.

1 **OEB Staff Interrogatory # 205**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01 Page: 9

10
11 **Interrogatory:**

12 Has Hydro One conducted a Staffing study to compare its staffing levels to other distributors and
13 determine the optimal staffing level for its operations?

14
15 If so, please file this study or studies, and provide a rationale for current and planned staffing
16 numbers. If not, why not?

17
18 **Response:**

19 Hydro One has not conducted such a study. The regular and total FTE count is declining over
20 the 2017-2022 period and, as such, it has not been a priority for Hydro One to conduct a broad
21 and likely expensive staffing study.

1 **OEB Staff Interrogatory # 206**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-01 Page: 11-13

10
11 **Interrogatory:**

12 On these pages Hydro One summarizes efforts underway to manage the total FTE complement
13 and increase efficiency.

14
15 Please provide the estimated savings for each initiative for the 2018 test year and future years,
16 under the various categories: Construction (flexible workforce); Engineering (standardized
17 processes, organizational alignment, external resources); Lines (consolidation of first line
18 managers, outsourcing, Move to Mobile and planning for Pole Replacements); Forestry
19 (efficiency initiatives and the “Muskoka Project”); and Stations Maintenance (temporary
20 workforce and new scheduling tool).

21
22 **Response:**

23 The evidence referenced in C1-02-01 pages 11-13 describes the strategies and process changes
24 Hydro One is employing to gain efficiencies in order to execute on an increasing work plan with
25 a relatively stable FTE compliment. The strategies described in each of the work programs have
26 not been quantified as ‘savings’ by Hydro One.

27
28 Any related savings opportunities that have been quantified and tracked are described in detail in
29 Exhibit I-25-Staff-123.

OEB Staff Interrogatory # 207

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-01 Page: 33

Interrogatory:

Hydro One indicates the base salary increases of 2% for MCP staff, 1% for PWU staff and 0.5% for Society staff for the IRM period. Then Hydro One states that over the test period, total compensation for the Distribution business increases by 2.5%.

Please explain how the individual increases mentioned total to the 2.5% aggregate number.

Response:

There are other compensation elements in addition to base salary that are included in total compensation. These include:

Compensation Element	Share
Base Pay	1.3%
Overtime	0.3%
STI	0.1%
LTIP	0.3%
Share Grants	0.1%
ESOP, Other Allowances + Lump Sums	-0.2%
Burdens	0.7%
Total Dx Compensation	2.5%

1 **OEB Staff Interrogatory # 208**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 C1-02-01 Page: 39
10

11 **Interrogatory:**

12 In addressing the Mercer study results at point 4, Hydro One indicates, “The study does not
13 account for the impact of Hydro One’s negotiated cost-saving initiatives such as future pension
14 benefit reductions or the updated pension valuation filed with the OEB.”
15

16 a) How significant are these factors to the total results of the study?
17

18 b) When does Hydro One plan to conduct another Mercer Study?
19

20 **Response:**

21 a) The planned changes (five-year earnings averaging and 85 points for early retirement) to the
22 Hydro One pension plans for PWU and Legacy Society employees have not been reflected in
23 the Mercer study. The study looks at costs at a specific point in time. However, at a high-
24 level assessment, these changes when implemented may reduce the employer-provided value
25 of these plans to approximately 95% of the current employer-provided value, assuming the
26 other provisions, employee contributions, and assumptions are unchanged.
27

28 b) Hydro One plans on filing a new Mercer total compensation study as part of Hydro One’s
29 upcoming transmission rate filing later this year.

OEB Staff Interrogatory # 209

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-01 Page: 43

Interrogatory:

Table 13 shows the annual savings from the increase in employee pension contributions from 2018 to 2022.

Please provide the methodology used to calculate these savings.

Response:

Amounts were determined using the assumptions included in Willis Towers Watson's Actuarial Valuation as at December 31, 2013 and certain other assumptions/modifications made to the pension plan, which are listed below. Amounts are in respect of the Defined Benefit Plan only.

In addition to the assumption included in the December 31, 2013 Actuarial Valuation report, the following three modifications were used to estimate the differential in cash requirements for each year during the projection period (2016 – 2030). It should be noted that this estimation is conducted at a point in time and estimates the savings based on December 31, 2013 Actuarial Funding Valuation.

Modification # 1

PWU Members

Increases to current employee contribution rates as follows (note that all increases are incremental to the prior year's rates):

Effective	Below YMPE	Above YMPE
April 1, 2015	+1.0%	+1.0%
April 1, 2016	+1.0%	+1.0%
April 1, 2017	+0.5%	+1.0%

Witness: CHHELAVDA Samir

1 Wage increases as follows:

- 2 • Effective April 1, 2015: 1.0% plus application of merit and promotion (M&P) scale
- 3 • Effective April 1, 2016: 1.0% plus application of M&P scale
- 4 • Effective April 1, 2017: 1.0% plus application of M&P scale
- 5 • Effective April 1, 2018 onwards: 2.50% p.a. plus application of M&P scale

6
7 Prior to reflecting these changes, the cash contributions were determined assuming annual
8 increases of 2.75% plus application of M&P scale (going concern funding basis).

9
10 For service accrued on and after March 31, 2025, replace 82 points eligibility for an unreduced
11 pension with 85 points; and final average earnings (FAE) definition is based on a 5-year period
12 (instead of a 3-year period).

13
14 **Society Members**

15 Increases to current employee contribution rates as follows (note that all increases are
16 incremental to the prior year's rates):

17
18 For Society members hired prior to November 16, 2005:

19 Effective	Below YMPE	Above YMPE
20 April 1, 2016	+0.50%	+0.50%
21 April 1, 2017	+0.75%	+0.75%
22 April 1, 2018	+1.00%	+1.50%

23
24
25 For Society members hired on or after November 16, 2005:

26 Effective	Below YMPE	Above YMPE
27 April 1, 2016	+0.50%	+0.50%
28 April 1, 2017	+0.75%	+0.75%
29 April 1, 2018	+0.50%	+1.00%

30
31
32 Wage increases as follows:

- 33 • Effective April 1, 2016: 0.50% plus application of M&P scale
- 34 • Effective April 1, 2017: 0.50% plus application of M&P scale
- 35 • Effective April 1, 2018: 0.50% plus application of M&P scale
- 36 • Effective April 1, 2019 onwards: 2.50% p.a. plus application of M&P scale

1 *Prior to reflecting these changes, the cash contributions were determined assuming annual*
2 *increases of 2.75% plus application of M&P scale (going concern funding basis).*

3
4 For Society members hired prior to November 16, 2005, for service accrued on and after March
5 31, 2025, FAE is based on a 5-year period (instead of a 3-year period).

6
7 For Society members hired on or after November 16, 2005, addition of a new bridge benefit for
8 service accrued on or after January 1, 2018.

9
10 **Modification # 2**

11
12 **For MCP members:**

13 Increases to current employee contribution rates as follows (note that all increases are
14 incremental to the prior year's rates):

15
16

Effective	Below YMPE	Above YMPE
April 1, 2015	+0.75%	0.75%

17
18

19 Effective on October 1, 2015, closing of the plan to new members. New hires will join the newly
20 established Defined Contribution Pension Plan (DCPP). Under this plan, employees will remit
21 contributions equal to 4%, 5% or 6% of earnings. Hydro One will match 100% of the employee
22 contributions. The estimated annual cash requirements for the DCPP are equal to the estimated
23 annual contributions made by Hydro One to the plan based on the profile of new management
24 employees (as described in Appendix D) and assuming all members contribute 6% of
25 pensionable earnings.

26
27 **Modification # 3**

28
29 For PWU employees contributing to the RPP as of April 1, 2015:

- 30
- Lump sum payment equal to 1% of salary as of April 1, 2015; and
 - Lump sum payment equal to 2% of salary as of April 1, 2016
- 31
32

33 For Society employees contributing to the RPP as of April 1, 2016:

- 34
- Lump sum payment equal to 1% of salary as of April 1, 2016; and
 - Lump sum payment equal to 2% of salary as of April 1, 2017
- 35
36

37 Please note that for the purpose of determining the payroll to be used to estimate the

Witness: CHHELAVDA Samir

Filed: 2018-02-12
EB-2017-0049
Exhibit I
Tab 40
Schedule Staff-209
Page 4 of 4

- 1 lump sum payments, we projected the payroll based on membership data as of December 31,
- 2 2013 projected to 2015, 2016 and 2017 using the assumptions as per our 2015 Year-end Report
- 3 and the new entrant assumptions as per our 2015 Projection Letter.

1 **OEB Staff Interrogatory # 210**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Interrogatory:**

9 Hydro One mentions the move of the employer/employee pension cost sharing ratio to 50-50.
10

- 11 a) How has this ratio changed from the time Hydro One became a stand-alone distributor (for
12 both Society and PWU employees), in each year to 2017?
13
14 b) What are the assumptions for these ratios from 2018 to 2022?
15

16 **Response:**

- 17 a) It is not clear what is meant by “became a stand-alone distributor”, but please refer to part (d)
18 of Exhibit I-40-SEP-14 for the up-to-date employer-employee pension contribution ratios.
19
20 b) At this time, Hydro One does not know of any future changes in employee pension
21 contributions and, therefore, the current ratios are valid.

1 **OEB Staff Interrogatory # 211**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 C1-02-02
10

11 **Interrogatory:**

12 In its September 14, 2017 Report on the Regulatory Treatment of Pension and OPEB costs (OEB
13 Report), the OEB indicated that utilities proposing to set rates using a method other than accrual
14 must support such a proposal with evidence, giving consideration to factors such as providing
15 value to customers and assuring fairness to both present and future ratepayers, and the principles
16 and practices enunciated in the OEB Report.
17

18 Hydro One has proposed to recover its test period pension costs on a cash basis. Hydro One
19 indicates that it believes that this method is more beneficial to its customers than the accrual
20 method as it results in a lower cost recovered through rates, it is more predictable, and the OEB
21 has historically accepted the cash method as the basis for the recovery of its pension obligations.
22

- 23 a) In accordance with the OEB Report, please provide evidence that supports the
24 appropriateness of Hydro One's use of the cash method to recover its pension costs. Please
25 ensure that the evidence provided addresses the required areas as specified in OEB Report.
26
- 27 b) In indicating that the cash method results in lower costs being recovered through rates, Hydro
28 One, however has not provided any analysis to support this statement. Please prepare an
29 analysis similar to the one provided for OPEBs in Table 2 of Exhibit C1/Tab2/Schedule 2,
30 comparing on historical basis, the cash amount recovered in rates and the accrual expense
31 related to Hydro One's annual pension obligations.
32

33 **Response:**

- 34 a) The principles in the OEB Report support the use of the cash method if the accrual method
35 does not result in just and reasonable rates, and if the cash method better provides value to
36 customers and fairness to both present and future ratepayers. Maintaining the current cash
37 method would be consistent, and provide stability and predictability. If Hydro One switched

1 to the accrual method, the regulatory asset currently on its books would have to be recovered
2 from ratepayers over a 10 to 15 year period thus negatively affecting both current and future
3 ratepayers.

4
5 The chart in part b) below shows that over time, cash basis has provided a lower cost to
6 ratepayers. As reflected below, there can be fluctuations from year to year. However, on the
7 whole, the ratepayers have incurred a lower cost under the cash basis. The administrative
8 burden of switching back and forth would be detrimental and therefore Hydro One supports
9 the use of one method.

10
11 b)

Pension (\$ in millions)	2012 and prior	2013	2014	2015	2016	2017	2018	Total
Amounts included in Rates								
Cash recovered in Rates	335	49	55	45	30	24	18	556
Accrual expense	330	89	50	41	32	24	7	573
Accrual basis – Cash basis	(5)	40	(5)	(4)	2	-	(11)	17

12

OEB Staff Interrogatory # 212

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-02

Interrogatory:

Does Table 1 of Exhibit C1-2-2 include the contribution requirements for the defined contribution pension plan as well?

- a) If the response above is no, then please provide a table similar to Table 1 that presents the test period contribution requirements for the defined contribution pension plan.
- b) Is the test period amount related to the defined contribution pension plan being underpinned by an actuarial valuation? If so, please provide. If not, then please explain how an estimate of the contributions is being made and provide the relevant support.

Response:

a)

2018 – DC Pension Plan (\$ in millions)	Transmission	Distribution	Other	Total
OM&A	0.2	0.3	0.5	0.9
Capital	0.3	0.2	0.0	0.6
Total	0.5	0.5	0.5	1.5

- b) The test period amount is not underpinned by a valuation for the defined contribution pension plan. A projection of the employer cost for 2018 was received from the actuaries. There are no supporting schedules for this plan.

1 **OEB Staff Interrogatory # 213**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 C1-02-02-01
10

11 **Interrogatory:**

12 Section 3.1 of the actuarial valuation for the defined benefit pension plan illustrates the minimum
13 employer pension contributions for the period 2017-2019. This section indicates that the
14 contributions will be funded through Plan surpluses.
15

16 Does this mean that the applicant will not be funding these contributions with cash from its
17 operations? Please explain.
18

19 **Response:**

20 Section 3.1 of the actuarial valuation states that a surplus may be applied in 2018 and 2019, not
21 that contributions will be funded through Plan surpluses.
22

23 According to Section 3.1 of the actuarial valuation, the estimated minimum employer
24 contribution for 2017 to 2019 is zero. Section 3.2 states that the estimated maximum employer
25 contribution for the ensuing year is \$3.2B. Hydro One will continue to make employer
26 contributions based on the Actuarial determined Employer Normal Actuarial Cost as a % of
27 Payroll in a prudent effort to ensure current rate payers pay the fair share of the current cost. Not
28 funding the current actuarial cost pushes these costs to future generations resulting in
29 intergenerational inequity. Also not funding the current actuarial cost risks the possibility of
30 additional special payments in future years.

1 **OEB Staff Interrogatory # 214**

2
3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?

7
8 **Reference:**

9 C1-02-02-01

10
11 **Interrogatory:**

12 Section 3.1 of the actuarial valuation for the defined benefit pension plan illustrates the minimum
13 employer pension contributions for the period 2017-2019. This section indicates that the
14 contributions will be funded through Plan surpluses.

15
16 Does this mean that the applicant will not be funding these contributions with cash from its
17 operations? Please explain.

18
19 **Response:**

20 Please refer to Exhibit I-40-Staff-213.

OEB Staff Interrogatory # 215

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

Q-01-01

Interrogatory:

As per the December 21, 2017 update, the estimate of the test period OPEB costs has changed as a result of an updated actuarial valuation.

- a) Please provide the updated OPEB cost amount for the test period.in a table consistent with Table 1 of Exhibit C1/Tab2/Schedule 2.
- b) Please provide the updated OPEB valuation.

Response:

- a) 2018 Forecast OPEB Costs (\$ Millions)

2018-Forecast					
OPEB		Transmission	Distribution	Other	Total
OM&A	\$M	17	26	4	47
Capital	\$M	32	25	-	57
	\$M	49	51	4	104

- b) Please refer to the attached OPEB Valuation.

Post-Retirement Benefit Plans: Draft Actuarial Valuation Results as of January 1, 2017

Management Discussion Guide

November 24, 2017

Filed: 2018-02-12
EB-2017-0049
Exhibit I-40-Staff-215
Attachment 1
Page 1 of 43

Executive Summary

The purpose of this presentation is to review the results of the post-retirement benefit plan valuations conducted as of January 1, 2017 for the following plans:

- Hydro One Limited Post-Retirement Benefits Plan (“Hydro One PRB”)
- Inergi Post-Retirement Benefits Plan (“Inergi PRB”)

Based on the new valuation results, the beginning of year 2017 obligations have decreased for both Hydro One and Inergi, primarily driven by favorable claims experience

- The year-end 2016 obligation reduced from \$1,513.0M to \$1,321.8M (a \$191.2M reduction)
- \$186.7M and \$4.5M for Hydro One PRB and Inergi PRB, respectively

Based on the new valuation results and the December 2016 discount rate, the estimated 2018 expenses under US GAAP are \$88.7M and \$1.4M for Hydro One PRB and Inergi PRB respectively

- To be finalized based on the year-end 2017 discount rate

Agenda

- Background
- Valuation Results
- Reconciliation of Accrued Benefit Obligation (ABO) as of January 1, 2017
- Changes Since Year-End 2016 Disclosure
- Analysis of the ABO as of January 1, 2017
- Extrapolation of Valuation Results to December 31, 2017
- Estimated 2018 Expenses
- Sensitivity to Key Assumptions
- PRB Plan Valuation Assumptions
- Next Steps

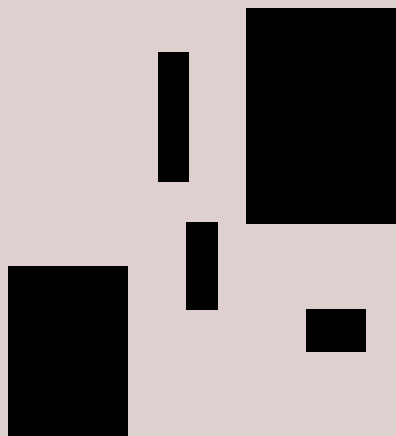
Appendices

- A – Valuation Methodology – Hydro One and Inergi
- B – Membership Data Summary – Hydro One and Inergi
- C – Retiree Benefit Plan Provisions – Hydro One and Inergi
- D – Actuarial Opinion

Background

- The last post-retirement benefit valuations for Hydro One and Inergi were performed as at January 1, 2014
 - The results of those valuations were extrapolated to December 31, 2016 for fiscal 2016 year-end reporting and fiscal 2017 expense determination
 - 2016 year-end results were adjusted to reflect updated mortality, withdrawal, retirement and spousal age different assumptions to align with the pension plan valuation assumptions
- Updated valuations have been performed as at January 1, 2017 for both the Hydro One and Inergi plans
 - Updated membership data
 - Updated per-capita claims assumptions based on recent claim experience
 - Assumptions and plan provisions are assumed to be consistent with the 2016 year-end disclosures, with one exception:
 - Updated salary scale assumption, consistent with the assumption used for the pension plan valuation
- The results of this valuation will be extrapolated to December 31, 2017 for fiscal 2017 year-end reporting and fiscal 2018 expense determination
 - Consideration to be given to Healthcare and Dental trend updates, based on the results of this study
- This discussion guide presents the principal results of the valuations

Valuation Results



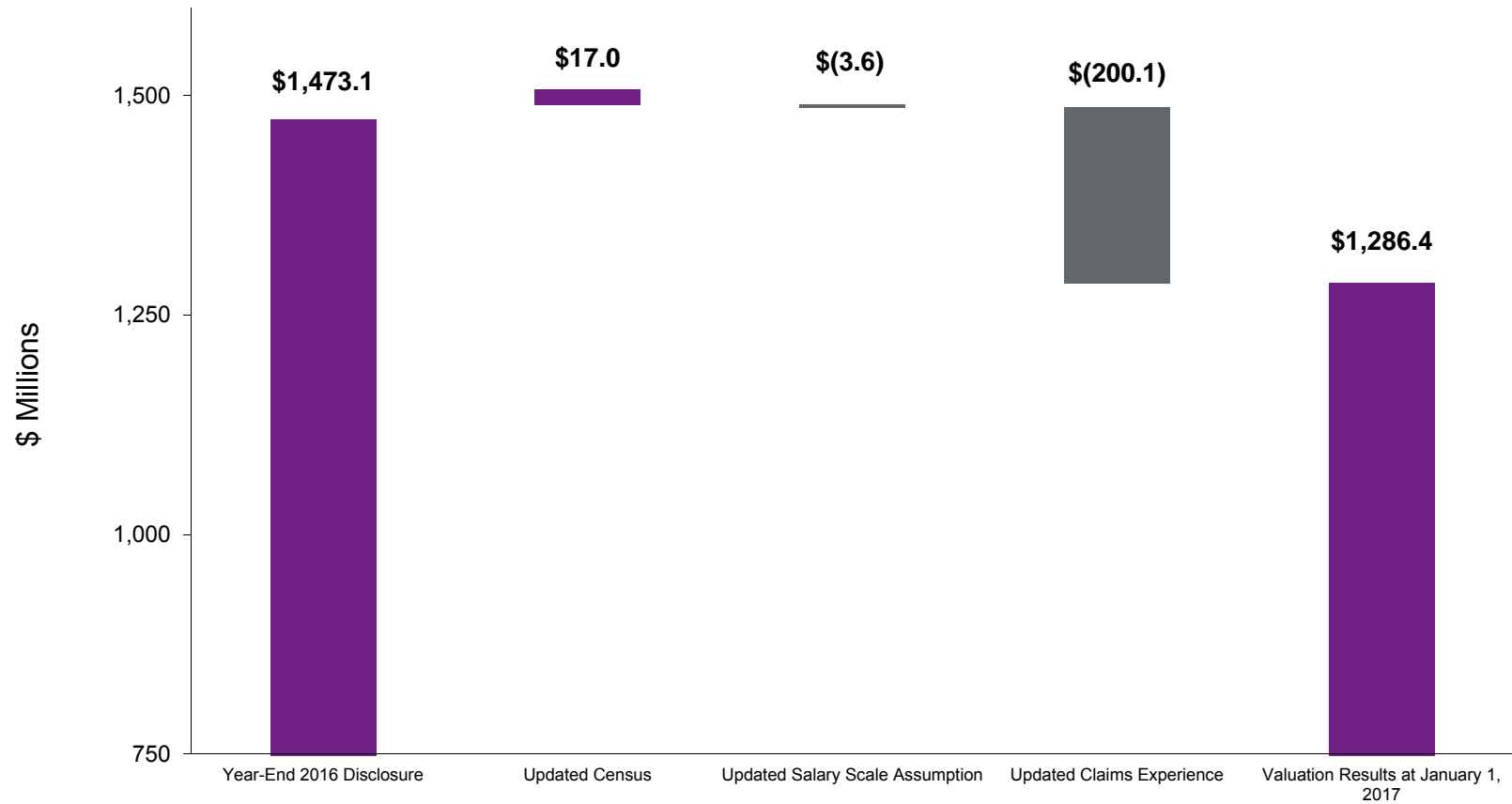
January 1, 2017 Valuation Results (\$ Millions)

	Hydro One PRB	Inergi PRB	Total PRB
Accrued Benefit Obligation (ABO)			
Retirees	\$728.0	\$23.7	\$751.7
Active Fully Eligible	\$203.2	\$11.7	\$214.9
Active Not Fully Eligible	\$355.2	\$0.0	\$355.2
Total	\$1,286.4	\$35.4	\$1,321.8
Service Cost	\$34.7	\$0.0	\$34.7
Expected Benefit Payments	\$38.3	\$0.9	\$39.2

- The January 1, 2017 results are provided under a discount rate of 3.90% for the Hydro One PRB and the Inergi PRB plans, consistent with the December 31, 2016 year-end disclosures
- The ABO at January 1, 2017 compares to the December 31, 2016 disclosure ABO of \$1,473.1 M and \$39.9 M for Hydro One PRB and Inergi PRB plans respectively

Reconciliation of ABO as of January 1, 2017 (\$ Millions)

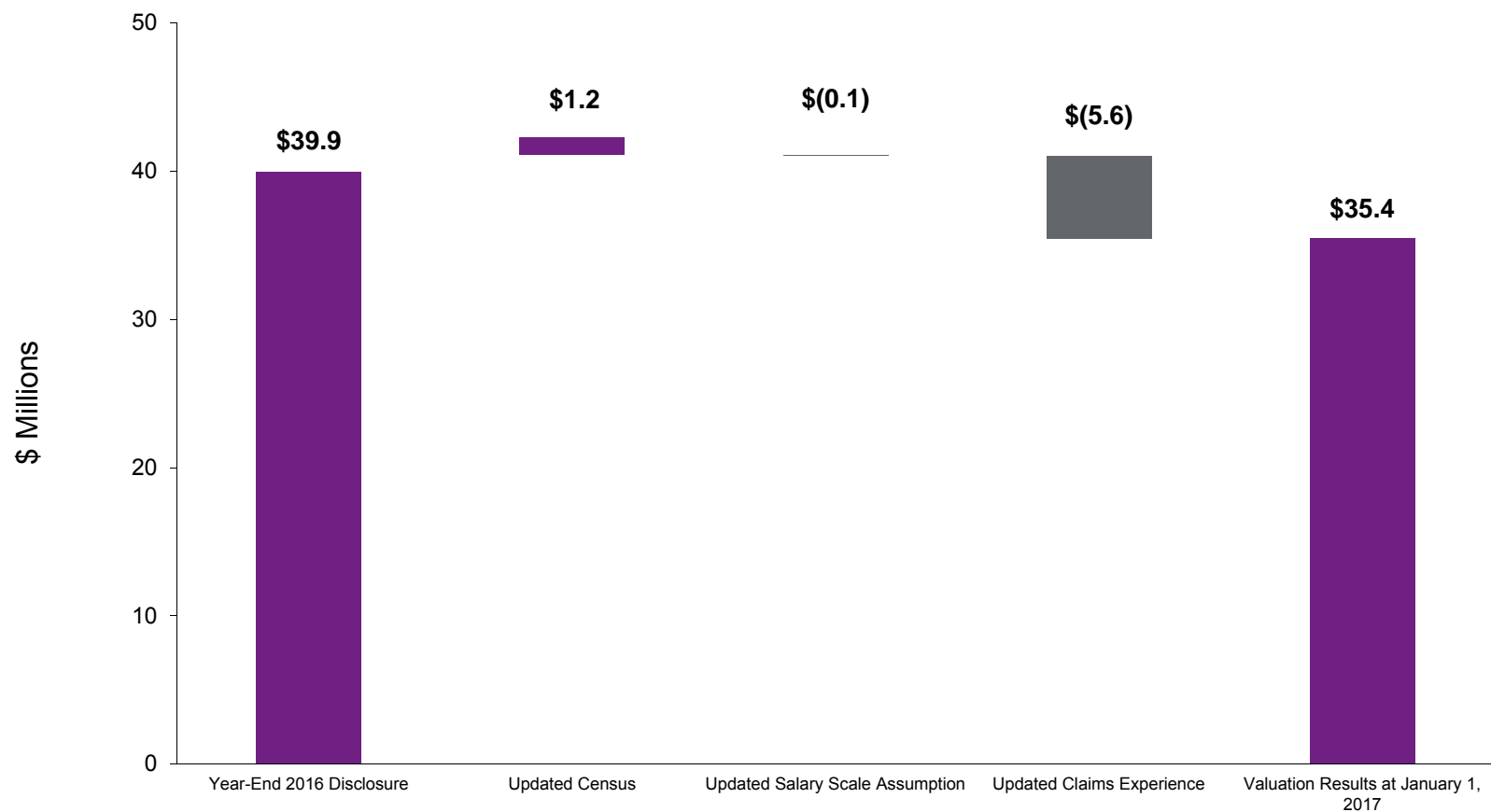
Hydro One PRB



- See slide 8 for further details on each of the above gains and losses

Reconciliation of ABO as of January 1, 2017 (\$ Millions)

Inergi PRB



- See slide 8 for further details on each of the above gains and losses

Changes Since 2016 Year End Disclosure

- “Updated Census”
 - Overall census updates resulted in a loss of approximately \$18.2M for Hydro One and Inergi combined
 - Gains from higher than expected terminations were offset by earlier than expected retirements and higher persistency
- “Updated Salary Scale Assumption”
 - Updated salary scale assumption resulted in a gain of approximately \$3.7M for Hydro One and Inergi combined
 - The salary scale assumption affects the life insurance and retirement bonus only
- “Updated Claims Experience”
 - Updated healthcare and dental claims experience resulted in a gain of approximately \$205.7M for Hydro One and Inergi combined
 - Actual healthcare and dental claims experience was lower than expected across most benefits in the most recent three year period
 - Consistent with the gains seen from the actual versus expected benefit payments
 - Actual drug trend in Canada has generally been low in recent years
 - Increased generic drug penetration in the market
 - Not expected to persist longer than the next few years
 - Hydro One’s actual health and dental trends were reviewed in 2017
 - Decreases in the majority of trends may be warranted, to be discussed
 - Claims methodology is outlined on the following pages

Given the size of the plan, consider more frequent valuations or a review of demographic and claims information annually to ensure figures are appropriate for reporting and avoid any surprises

Claims Experience: Methodology Review

- The following methodology was used for the January 1, 2017 valuations:
 - Hydro One retiree and spouse claim experience for extended health care and dental care benefits was collected⁽¹⁾ for calendar years 2014⁽²⁾, 2015 and 2016. Paid claims information was used to set the 2017 claim cost assumption as follows:
 - Per capita claim costs were derived for each calendar year.
 - Drug per capita claim costs were derived for claimants over age 65 and under age 65 to more accurately reflect the introduction of provincial government drug programs
 - The 2014, 2015, and 2016 per capita claim costs were trended to 2017 using the assumed historical trend factors
 - The resulting per capita claim costs were redistributed by age bands assuming the aging factors outlined in Appendix A
 - Aging represents the assumption for how claims cost change as a retiree gets older (e.g. how the claims cost for a 71 year old will differ from the claims cost of a 70 year old in the current year)
 - Not the same as the healthcare trend assumption (e.g. how the claims cost for a 70 year old next year will differ from the claims cost of a 70 year old in the current year)
 - Hydro One may wish to consider revisiting the aging factors in 2018 to ensure rates are aligned with experience and updated trend assumptions
- Given the size and credibility of this group, Hydro One could consider revising the claims methodology to be based on a shorter average period (for example, 2 years instead of 3 years), to reflect more recent experience
 - Basing the 2017 claims cost assumption on the most recent 2 years of experience (2015 and 2016 only) would have resulted in an average claim cost assumption 4% lower than the current proposed assumption

Notes:

1. Claims were provided by Green Shield Canada

2. 2014 claims were received from Green Shield for the period from March 1 to December 31. We understand that March 1, 2014 was the transition date of vendors to Green Shield. Received claims for 2014 were annualized.

Claims Experience

Summary of Hydro One Claims Experience

- Hydro One retiree and spouse claims experience is as follows:

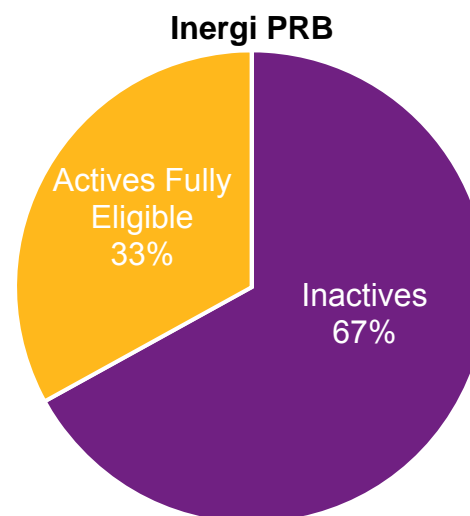
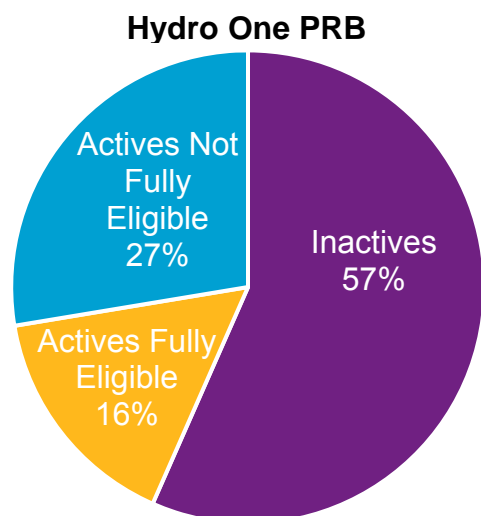
Hydro One: Retirees and Spouses	2014	2015	2016
All Health Paid Claims	\$ 17,081,730	\$ 17,554,494	\$ 17,319,929
Average Exposures	11,322	11,385	11,448
Per-Capita Health Claims Cost	\$ 1,509	\$ 1,542	\$ 1,513
Dental Paid Claims	\$ 7,007,057	\$ 7,126,197	\$ 7,145,418
Average Exposures	11,322	11,385	11,448
Per-Capita Dental Claims Cost	\$ 619	\$ 626	\$ 624

- Actual Health and Dental trend experience over the last few years has been materially lower than the expected trend
- Claims experience for the past 5 years was reviewed in 2017, and the experience suggests a lower trend assumption may be appropriate (see “Extended Healthcare and Dental Trend Assumption Review” deck, dated November 24, 2017 for more information)

Notes:

- All figures shown above exclude administrative expenses and taxes
- 2014 claims were received from Green Shield for the period from March 1 to December 31, and have been annualized in the table above.

Analysis of the ABO as of January 1, 2017 (\$000s) By Employee Status



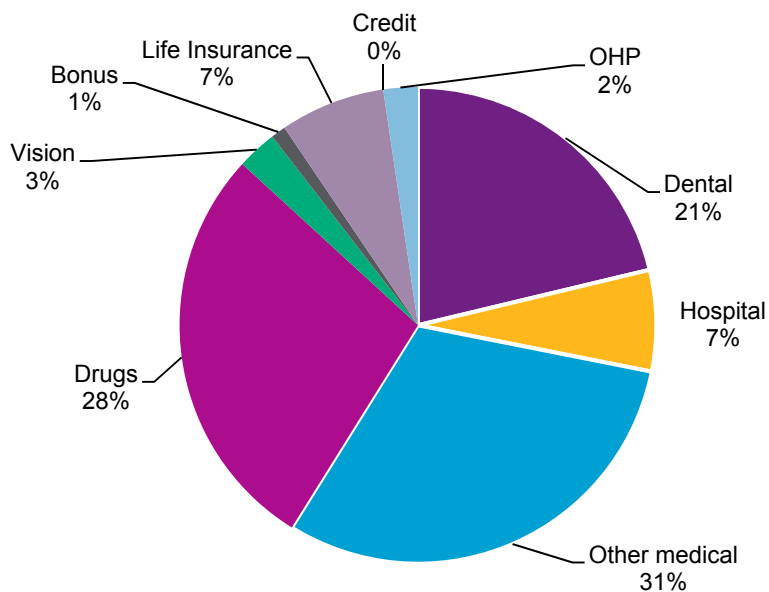
	Hydro One PRB		Inergi PRB	
	Total ABO	Average ABO	Total ABO	Average ABO
Inactives	\$ 727,992	\$ 104	\$ 23,739	\$ 106
Actives Fully Eligible	\$ 203,158	\$ 189	\$ 11,706	\$ 40
Actives Not Fully Eligible	\$ 355,215	\$ 78	n/a	n/a
Total	\$ 1,286,365	\$ 102	\$ 35,445	\$ 68

*Active Fully Eligible is defined as those employees who have met the eligibility criteria for post-retirement benefits
ABO for Inergi members represents portion of total ABO attributable to Hydro One only*

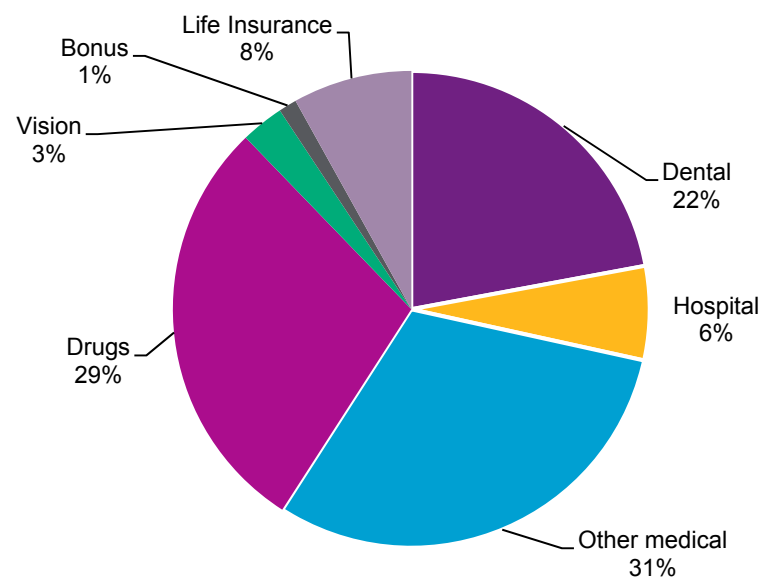
Analysis of the ABO as of January 1, 2017

By Benefit Type

Hydro One PRB

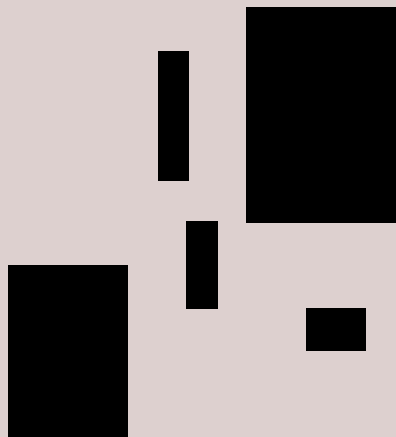


Inergi PRB



- Drug and other medical spend represent the largest portions of the ABO for each plan

Year-End 2017 Obligation and 2018 Expense



Extrapolation of Valuation Results to December 31, 2017 (\$ Millions)

ABO ^{1,2}	Hydro One PRB	Inergi PRB	Hydro One + Inergi PRB
Life Insurance	\$93.5	\$2.9	\$96.4
Medical and Dental	1,187.4	32.6	1,220.0
Retirement Bonus and Credit	22.3	0.4	22.7
Ontario Health Premium	30.4	n/a	30.4
Total	\$1,333.6	\$35.9	\$1,369.5

Notes:

1. Extrapolation of accrued benefit obligation from the January 1, 2017 valuation to December 31, 2017, assuming no gains/losses
2. Results shown at year-end 2016 discount rate of 3.90% for Hydro One PRB and Inergi PRB plans

Estimated Expense ¹ (US GAAP) (\$ Millions):

	2017 Expense		2018 Expense Reflecting New Valuation Results	
	Hydro One PRB	Inergi PRB	Hydro One PRB	Inergi PRB
Discount rate ²	3.90%		3.90%	
Service Cost (BOY)	\$40.9	\$0	\$36.0	\$0
Interest Cost	\$58.2	\$1.5	\$52.7	\$1.4
Amortization of Prior Service Cost / (Credit)	\$0.0	\$0.0	\$0.0	\$0.0
Amortization of Loss / (Gain)	\$4.9	\$0.0	\$0.0	\$0.0
Total ³	\$104.0	\$1.5	\$88.7	\$1.4

Notes:

1. An additional expense exists for the Hydro One Post-Employment Benefit plan, not included in this deck
2. 2018 expense shown at the year-end 2016 discount rate of 3.90%. At the preliminary year-end 2017 discount rate of 3.80% (as of September 30, 2017), the 2018 expense estimates become \$89.7M and \$1.4M for the Hydro One PRB and Inergi PRB plans respectively
3. 2018 expense as presented in the 2017 – 2022 expense projections delivered in December 2016, at a discount rate of 3.80%:
 - Hydro One PRB: \$106.0M
 - Inergi PRB: \$1.6M

Sensitivity to Key Assumption Changes (\$ Millions)

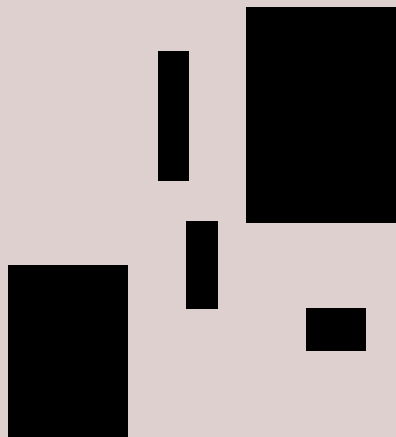
Hydro One PRB and Inergi PRB

Scenario	Base	Discount Sensitivity	Trend Sensitivity
Discount Rate	3.90%	2.90%	3.90%
Drug ⁽¹⁾ and Other Medical Trend Rate	7.59% per annum in 2017 grading to 4.50% per annum after 2031	7.59% per annum in 2017 grading to 4.50% per annum after 2031	8.59% per annum in 2017 grading to 5.50% per annum after 2031
Vision Care Trend Rate	2.0% per annum through 2028 and 0% thereafter	2.0% per annum through 2028 and 0% thereafter	3.0% per annum through 2028 and 0% thereafter
Dental Trend Rate	4.5% per annum	4.5% per annum	5.5% per annum
ABO at 12.31.2017	\$1,369.5	\$1,671.3 (22% ↑)	\$1,643.4 (20% ↑)
2018 Expense	\$90.1	\$110.2 (22% ↑)	\$123.0 (36% ↑)

Note:

- The initial trendrate forprescription drug after age 65 is assumed to be 80% of the above assumption and the ultimate trend rate is assumed to be 0.25% lower than the above assumption due to non-inflated Bill 26 costs beyond age 65 (i.e. \$100 deductible and \$6.11 per dispensing fee)

Assumptions



PRB Plan Valuation Assumptions

Assumptions Other than Claims Costs

Assumption	Assumption at January 1, 2017	Comments/Issues
Discount rate ⁽¹⁾	Hydro One and Inergi PRB: 3.90%	Based on the CIA spot rates at December 31, 2016, a cash flow matching approach of the expected benefit payments over an 80-year period from non-pension plans Based on September 30 th , 2017 spot rates, the discount rate for the PRB plans is 3.80%
Trend	Drugs ⁽²⁾ and Other Health: 7.59% per annum in 2017 grading to 4.50% per annum after 2031	Current assumptions were reviewed by the prior actuary in 2012. Review of all trend rates completed in 2017. Several changes to current trend rates are proposed as being appropriate to approximate plan costs moving forward.
	Vision: 2.0% per annum through 2028 and 0% thereafter	
	Hospital and Dental: 4.50% per annum	Trends to be used for year-end 2017 reporting and onwards to be confirmed by Hydro One.

Notes:

- Discount rate at December 31, 2016 was 3.90% for Hydro One PRB and Inergi PRB plans
- The initial trend rate for prescription drug after age 65 is assumed to be 80% of the above assumption and the ultimate trend rate is assumed to be 0.25% lower than the above assumption due to non-inflated Bill 26 costs beyond age 65 (i.e. \$100 deductible and \$6.11 per dispensing fee)

PRB Plan Valuation Assumptions

Assumptions other than Claims Costs

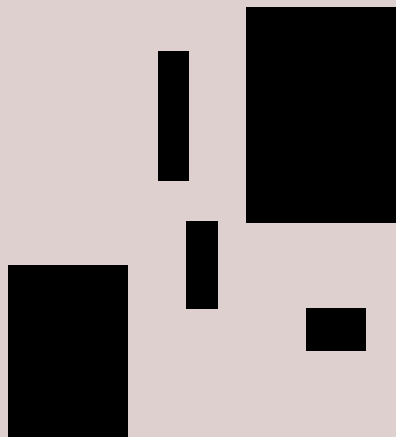
Assumption	Assumption at January 1, 2017	Comments/Issues
Claims Cost Assumption	Using three years of Hydro One claims data (see pages 11-12 for more details)	Consider annual claim cost updates to minimize significant gains and losses in full valuation years.
Aging	Varies by benefit See Appendix A	Determined by Hydro One and the prior actuary. We recommend a review of these factors based on Hydro One's recent experience and updated trend assumptions
Retirement rates	Age and Service-related table See Appendix A	Updated at year-end 2016 to be consistent with the assumptions used for the pension plans. Based on experience studies conducted in 2016.
Termination rates	Age and Service-related table See Appendix A	
Disability rates	Age-related table See Appendix A	
Mortality rates	95% of the 2014 Canadian Pensioners' Mortality (CPM) Private Sector Table projected with scale CPM-B2D	
		Updated at year-end 2016 to be consistent with the assumptions used for the pension plans. Based on experience study conducted in 2016. New Mortality Improvement scale (MI-2017) available for Canadian plan sponsors. Consider for potential use for year-end 2017 disclosures.

OPRB Plan Valuation Assumptions

Assumptions other than Claims Costs

Assumption	Assumption at January 1, 2017	Comments/Issues
Salary increases	Hydro One PRB and Inergi PRB: 2.50%+M&P	Hydro One's current merit and promotion scale varies by age and year of service and provides for an additional increase in annual earnings varying between 0% and 7.5%. Experience study was completed in 2017.
Administrative expenses and taxes	Drugs, Medical Other, Hospital and Vision: 13.87% Dental: 13.52% Life Benefit: 11.47%	Health and Dental expenses (including pooling) provided by Green Shield. Life insurance expenses provided by Great-West Life.
Spouses of active employees	90% of active members are assumed to elect dependent coverage upon retirement. Actual coverage data is used for retired members	Assumption was reviewed during an experience study conducted in 2016.
Age Difference	For active members, a male is assumed to be 3 years older than his spouse. Actual data is used for retired members	Updated at year-end 2016 to be consistent with the assumptions used for the pension plans. Based on experience study conducted in 2016.
Participation	100%	We assume that 100% of eligible associates will participate in the plan upon their retirement

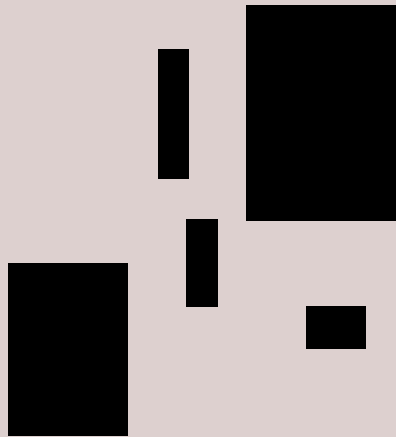
Next Steps



Next Steps

- Finalize 2017 post-retirement benefit plan valuations
 - Discuss census data
 - Discuss recent acquisitions
- Review and finalize year-end assumptions, including Health and Dental trends
- Provide 2018-2022 Projected Benefit Cost letter in December
- Perform Post-Employment Benefit (PEB) plan valuation for year-end 2017 and update 2017 expense
- Consider opportunities for cost reduction

Appendices



Valuation Assumptions

Aging Factors	The change in claiming levels from one age to the next are shown below for sample ages:					
Age	Semi-Private Hospital	Prescription Drug	Other Medical	Vision	Dental	
55	7.0%	3.8%	(0.2%)	(0.5%)	(0.4%)	
65	10.0%	2.1%	(0.5%)	(0.6%)	(0.9%)	
75	9.3%	0.5%	1.7%	(0.6%)	(1.3%)	
85	6.8%	(0.3%)	2.3%	(0.7%)	(2.9%)	

Termination Rates	Service (years)	Rate
	Under 20	1.0%
	20 and over	0.0%

No recovery or termination is assumed for LTD members, other than by death
No withdrawal is assumed after attainment of eligibility for retirement.

Valuation Assumptions

Disability Incidence	Rates at sample ages are shown below:		
	Age	Rate	
	20	0.000%	
	30	0.105%	
	40	0.115%	
	50	0.295%	
	60	1.878%	

Retirement Rates	Age	Eligible for Unreduced Pension		Not Eligible for Unreduced Retirement
		Based on points (82 or 85)	35 years of service and over	
	< 55	10%	30%	0%
	55 to 59	15%	30%	5%
	60 to 64	12%	30%	7%
	65	50%	30%	20%
	66-69	25%	30%	15%
	70 and over	100%	100%	100%

LTD members are assumed to retire at age 65. Employees are eligible to retire for an unreduced pension when age plus years of continuous employment is greater than or equal to 82.

Deferred vested employees (25 years of service or more) are assumed to retire and receive health and dental benefits at age 55.

Valuation Assumptions

Sample 2017 Claims Cost Assumptions (including administrative expenses and taxes)	Rates shown below:					
	Age	Drugs*	Hospital	Vision	Other Medical	Dental
	65	\$688	\$56	\$159	\$676	\$839

* Drug costs shown reflect the impact of government coverage, effective at age 65 (decreasing drug claims by approximately 50%)

Valuation Methodology

OPRB Plan – ASC 715-60

- The valuation has been performed in accordance with ASC 715
- Prospective benefits are calculated for each active employee according to the actuarial assumptions. The Obligation for Employee Future Benefits (OEFB) for each employee is calculated as the actuarial present value of the employee's prospective benefits. The Accrued Benefit Obligation (ABO) for each employee is calculated as the OEFB multiplied by the employee's continuous service prior to the valuation date to a total potential continuous service at full eligibility.
 - Full Eligibility is defined as follows:
 - For active employees with Normal Retirement Date of 65 - earliest of: age 55 & 10 years of service, 82 points & 10 years of service and 35 years of service
 - For active employees with Normal Retirement Date of 60: Age 50
 - For Disabled Members: date of Disability
 - For Deferred Vested with at least 25 years of eligible service: Immediate
- The employer service cost for each employee is calculated as the actuarial present value of the prospective benefits, in respect of the service expected to be earned in the year following the valuation
- For retired individuals, the ABO is calculated as the actuarial present value of the retiree's prospective benefits.

Valuation Methodology

Inergi

- We understand that the cost of the non-pension postretirement benefits offered to Inergi members is divided between Hydro One Ltd. and Inergi, relative to the service with each company at retirement. 2017 valuation figures pertain to Hydro One Ltd.'s portion of the obligations only.

Membership Data Summary

Hydro One

Census Date	1/1/2017	1/1/2014
Active Members		
Number	5,484	5,496
Average age (years)	43.5	43.7
Average service (years)	13.1	13.5
Average basic earnings	\$ 103,012	\$ 96,152
Disabled Members		
Number	139	119
Average age (years)	53.7	55.7
Average service (years)	22.4	25.0
Average basic earnings	\$ 84,843	\$ 68,962
Deferred Vested Members		
Number	8	5
Average age (years)	57.0	54.3
Retirees		
Number with life insurance ⁽¹⁾	5,118	5,020
Average life insurance amount	\$ 26,871	\$ 23,355
Average age for members with life insurance (years)	71.5	71.1
Number with medical (Single/Family)	905/4,450	989/4,254
Average age for members with medical (years)	70.4	71.0
Average age of spouses (years)	68.2	67.5
Surviving Spouses		
Number	1,675	1,722
Average age (years)	80.6	80.0

Note:

1. Excludes 237 retirees without life insurance at 1.1.2017 and 223 retirees without life insurance at 1.1.2014

Membership Data Summary

Hydro One

- The distribution of the Hydro One Ltd. active participants by age and completed years of eligible service as at January 1, 2017 is summarized as follows:

Distribution of Active Members
by Age Group and Completed Years of Eligible Service as at 1.1.2017

Age	Years of Completed Service							Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20								-
20 - 24	63	1						64
25 - 29	215	336	4					555
30 - 34	153	816	120	1				1,090
35 - 39	101	402	204	31				738
40 - 44	71	251	151	52	2			527
45 - 49	57	197	107	44	14	112	3	534
50 - 54	59	193	108	102	13	314	197	986
55 - 59	38	117	77	77	11	131	210	661
60 - 64	15	51	34	42	3	34	75	254
65 +		16	12	8	1	15	23	75
Total	772	2,380	817	357	44	606	508	5,484

	Number	Average Age	Average Years of Eligible Service	Average Annualized Basic Earnings
Management	641	48.0	14.3	\$ 133,407
Society	1,353	43.9	12.7	114,751
PWU	3,490	42.5	13.0	92,879
Total	5,484	43.5	13.1	\$ 103,012

Membership Data Summary

Hydro One

- The distribution of the Hydro One Ltd. retirees and surviving spouses by age as at January 1, 2017 is summarized as follows:

Distribution of Inactive Members
by Age Group as at 1.1.2017

Age	Retirees	Surviving Spouses	Total
Under 50	2	15	17
50 - 54	83	21	104
55 - 59	516	36	552
60 - 64	900	75	975
65 - 69	1255	128	1383
70 - 74	869	153	1022
75 - 79	591	209	800
80 - 84	520	385	905
85 - 89	428	387	815
90 - 94	154	205	359
95 - 99	36	56	92
100+	1	5	6
Total	5,355	1,675	7,030

	Number	Average Age	Number with Health Coverage	Number with Dental Coverage	Number with Spouse
Management	1021	73.1	1021	1021	687
Society	1,894	73.9	1,894	1,894	1,260
PWU	4,115	73.6	4,115	4,115	2,503
Total	7,030	73.6	7,030	7,030	4,450

Membership Data Summary

Inergi

Census Date	1/1/2017	1/1/2014
Active Members		
Number	294	331
Average age (years)	51.8	50.0
Average service (years)	21.9	19.5
Average basic earnings	\$ 95,668	\$ 93,456
Disabled Members		
Number	14	15
Average age (years)	56.1	52.1
Average service (years)	26.2	26.2
Average basic earnings	\$ 65,992	\$ 63,674
Retirees and Surviving Spouses		
Number	225	172
Average age (years)	63.6	61.7
Number of covered spouses	189	151

Membership Data Summary

Inergi

- The distribution of the Inergi active participants by age and completed years of eligible service as at January 1, 2017 is summarized as follows:

Distribution of Active Members
by Age Group and Completed Years of Eligible Service as at 1.1.2017

Age	Years of Completed Service							Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20								0
20 - 24								0
25 - 29								0
30 - 34								0
35 - 39				6				6
40 - 44				45				45
45 - 49				48		15	1	64
50 - 54				43	2	27	19	91
55 - 59				35	2	10	7	54
60 - 64				15	1	7	7	30
65 +				3			1	4
Total	0	0	0	195	5	59	35	294

	Number	Average Age	Average Years of Eligible Service	Average Annualized Basic Earnings
Management	13	54.1	26.7	\$ 126,998
Society	83	52.9	23.5	129,575
PWU	198	51.1	20.9	80,070
Total	294	51.8	21.9	\$ 95,668

Membership Data Summary

Inergi

- Summary of Retirees for Inergi

	Number	Average Age	Number with Health Coverage	Number with Dental Coverage⁽¹⁾	Number with Spouse
Management	25	62.9	25	25	22
Society	111	62.5	111	111	99
PWU	89	65.1	89	89	68
Total	225	63.6	225	225	189

Note:

1. Assumed to be the same as Health

Summary of Retiree Benefit Plan Provisions

Eligibility

Retirees entitled to a pension are eligible for life insurance, retirement bonus/service credit, medical and dental coverage as described below.

Normal retirement age is 65. For females hired before January 1, 1976, the normal retirement age is 60.

An employee may retire and be eligible for benefits if they are in receipt of a Pension and have met the continuous service requirement, as follows:

- Power Workers Union (PWU) – 10 years
- Society – 5 years if hired prior to November 1, 2005. 10 years otherwise
- Management (hired after 2004) – 10 years
- Management (hired prior to 2004) – 2 years (pension vesting period)

Deferred vested members with 25 or more years of service are eligible for medical and dental coverage at the time they receive a pension from the company (assumed to be age 55).

Spouses and dependants are eligible for medical and dental coverage while the retiree is alive. After the retiree's death, spouses and dependants are eligible for coverage if the spouse is in receipt of a pension. Surviving spouses and dependants of an employee who died in active employment or a disabled employee who died while disabled are also eligible for medical and dental coverage if the spouse is in receipt of a pension. Spouses and dependants of a deferred vested member with 25 or more years of service who dies while deferred are eligible for benefits.

Summary of Retiree Benefit Plan Provisions

Life Insurance

Life insurance coverage equal to 50% of base annual earnings at retirement is provided in the first 10 years of retirement, reducing to 25% of base annual earnings 10 years after retirement. For LTD members this benefit commences at age 65 as mentioned above.

Retirement Bonus

Employees (excluding Management employees who were hired on or after January 1, 2004) with 10 or more years' continuous service receive a lump sum payment of one month's earnings at retirement.

Service Credit

Management Employees hired on or after January 1, 2004 receive an annual benefit of \$100 per year of service at retirement, to a maximum of \$3,000 per annum.

Summary of Retiree Benefit Plan Provisions

Medical and Dental

Medical and dental benefits vary depending on the employee group the retiree was in as an active employee. The groups (identified by the insurance contract Claims Branch Code) are as follows:

- 011** Society pensioners formerly in one of the following Employee Groups:
 - Management and Professional, Field Management and Professional Management Function and Auditor/Management and Professional Trainees
 - Office Supervisory and Services, Trades Management Supervisors, Trade Supervisors, System Control (SC), Supervising Electrical Inspectors and Helicopter Supervisors
- 014** Pensioners formerly in one of the following Employee Groups:
 - Members of the Power Workers' Union (PWU) (CUPE Local 1000)
 - Managerial Services
 - Construction Field Foreman
- 013,015,016** Executive Salary Roll Pensioners and Non-Society Pensioners formerly in one of the following Employee Groups:
 - Management and Professional, Field Management and Professional Management Function and Auditor/Management and Professional Trainees
 - Office Supervisory and Services, Trades Management Supervisors, Trades Supervisors, System Control (SC), Supervising Electrical Inspectors and Helicopter Supervisors

Summary of Retiree Benefit Plan Provisions

Medical

Semi-private Hospital Accommodation Plan

This plan covers:

- The semi-private differential between ward accommodation and semi-private accommodation in an active treatment hospital, and
- Up to \$40 per day for a maximum of 120 days in any period of 365 consecutive days towards semi-private or private room accommodation in a hospital for the chronically ill or a chronic care unit of a general hospital

Extended Health Care Benefits Plan

This plan covers:

- The differential between semi-private and private room accommodation in an active treatment hospital
- Up to \$20 per day for PWU members for a maximum of 365 days per lifetime towards semi-private or private room accommodation in a contract (private) hospital or a convalescent/rehabilitative hospital (Non-union members are eligible for full semi-private hospital coverage at these hospitals up to 120 days per lifetime under the Semi-Private Hospital Accommodation Plan and Society members are eligible for 365 days per lifetime)

Summary of Retiree Benefit Plan Provisions

Extended Health Care Benefits Plan (cont'd)

- Prescription drugs (as listed in the company's Formulary Drug List – including Lactaid), medicines, sera and vaccines, etc. subject to the following for Claims Branches 011, 013, 015 and 016:
 - a. A maximum dispensing fee of \$11.00 per prescription for drugs that require a prescription by law (the maximum does not apply in certain limited situations)
 - b. Mandatory Generic substitution unless exemption received from insurer (for claims branch 014 as well)
 - c. Over-the-counter drugs that do not require a prescription by law are covered where medically required (a dispensing fee of up to \$6.11 is covered for electronic claims only for all claims branches). Over-the-counter drugs except for life sustaining drugs are not included in EHC benefits for Society and Management members
- Blood and blood products
- Private duty nursing, subject to a maximum fee as set by the largest Nursing Registry in Ontario (cap of \$50,000 per calendar year and a lifetime maximum of \$150,000)
- Ambulance services
- Physiotherapy treatments
- Miscellaneous items such as prosthetic appliances, equipment rental, support stockings
- Dental treatment as the result of an accident

Summary of Retiree Benefit Plan Provisions

Extended Health Care Benefits Plan (Cont'd)

- Hearing aids
- Eyeglasses (included contact lenses) up to \$400 per person, every two calendar years (the calendar year periods vary by Claims Branch). For PWU and Society members, the vision care maximum increases from \$450 to \$475 per person, every two calendar years, as of January 1, 2009
- Services of clinical psychologists, masseurs, speech therapists, chiropractors, podiatrists, chiropodists, naturopaths subject to certain per person calendar year maximums which may vary by Claims Branch

The annual deductibles are as follows:

Claims Branches 011, 013, 014, 015 and 016: \$10 single/\$20 family

The deductibles do not apply to vision care and hearing aids.

Out-of-Province Health Coverage

- For pensioners the plans do not cover any service or supply provided outside Ontario for an amount greater than it would pay for such benefit if supplied in Ontario
- Pensioners and their dependents are covered for emergency illness or injury (only) which occurs while travelling outside Ontario. The coverage is through MEDEX and ceases once the emergency is dealt with. On-going medical care is not covered
- No deductible applied under Out-of-Province Health Coverage

Summary of Retiree Benefit Plan Provisions

Dental Benefits

This plan pays 100% of Class A Services and 85% of Class B Services.

Class A Services includes examinations, x-rays, preventive services, periodontal services, endodontic services and extensive oral surgery.

Class B Services include dentures, crowns, bridges and temporomandibular joint appliances.

For all employee groups, the current ODA Fee Guide applies.

Ontario Health Premium

Hydro One Inc. pays the Ontario Health Premium for retirees

Actuarial Opinion

This presentation has been prepared for Hydro One and presents the results of the accounting valuation as at January 1, 2017 of the Non-pension Post-retirement Benefits.

The valuation methods used to determine the Accrued Benefit Obligation conform to the requirements of ASC 715 with which we are familiar. The methods employed are consistent with accepted actuarial principles.

The assumptions selected by Hydro One, after discussions with Willis Towers Watson, are in accordance with accepted actuarial practice. Emerging experience, differing from the assumptions, will result in gains and losses which will be revealed in future valuations.

Post-retirement plan membership data were supplied by Hydro One as at January 1, 2017. These data were adjusted as indicated in this report and were checked for reasonableness. In our opinion, for the purposes of this valuation, the data on which the valuation is based are sufficient and reliable.

This presentation has been prepared, and our opinions have been given, in accordance with accepted actuarial practice.

The information contained in this presentation and appendices was prepared for Hydro One for its internal use. This presentation and appendices are not intended nor necessarily suitable for other purposes. Further distribution of all or part of this presentation and appendices to other parties or other use of this presentation and appendices is expressly prohibited without Willis Towers Watson's prior written consent.

Willis Towers Watson

Ross Cristiano, FSA, FCIA

Date

Laura Ens, FSA, FCIA

Date

1 **OEB Staff Interrogatory # 216**
2

3 **Issue:**

4 Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits,
5 incentive payments, labour productivity and pension costs) including employee levels,
6 appropriate (excluding executive compensation)?
7

8 **Reference:**

9 C1-02-02
10

11 **Interrogatory:**

12 In Table 2, Hydro One provides a historical summary of OPEB costs it has recovered in rates (on
13 an accrual basis) compared to the related cash payments for the same period. The analysis
14 indicates that Hydro One has historically over-collected with respect to its OPEB costs.
15

16 Please explain how these over-collections have been used.
17

18 **Response:**

19 Recoveries in excess of cash benefit payments form part of Hydro One's working capital, which
20 is invested in capital and OM&A work programs.
21

22 It should be noted that Table 2 on Exhibit C1, Tab 2, Schedule 2 has a footnote that indicates that
23 the amount of OPEB costs capitalized in the year is recovered over the useful life of the asset to
24 which it is capitalized and not in the years noted. Therefore, the Net Excess as noted does not
25 represent the excess recovery in each year.

OEB Staff Interrogatory # 217

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-02-02 Section 5.1

Interrogatory:

At this reference, Hydro One discusses an update to the US GAAP accounting standard for pension and OPEB costs that is effective from January 1, 2018, which has an impact on the pension and OPEB amounts for the test period.

- a) Please explain why Hydro One has proposed to capture the test period impact of this new standard in a variance account rather than updating its application.
- b) Please provide a table that summarizes the impact that this new accounting standard has on the test period revenue requirement.

Response:

- a) As indicated Exhibit C1, Tab 2, Schedule 2, section 5.1 the reclassification of these elements to OM&A would have an adverse impact on rates in a given year. For this reason, Hydro One proposes to capture the impact in a deferral account as noted in Exhibit F1, Tab 3, Schedule 1 of the application. In order to minimize the impact on rates, it is Hydro One's intention to clear this deferral account over a period that is consistent with the useful lives of assets to which such costs would have previously been capitalized, but not to exceed 20 years. Hydro One's proposal to continue the capitalization of impacted costs is consistent with guidance provided by the Federal Energy Regulatory Commission (FERC) in the United States.
- b) In Exhibit C1, Tab 2, Schedule 2, section 5.1, Hydro One had noted that approximately \$11M of the 2018 costs shown as capital in Exhibit C1, Tab 2, Schedule 2, section 5, Table 2 would be impacted by this new accounting standard and require reclassification to OM&A. Based on the updated OPEB valuation received on December 12, 2017 as indicated in Exhibit Q, approximately \$13M of 2018 costs would be impacted by this new standard and require reclassification to OM&A.

Vulnerable Energy Consumers Coalition Interrogatory # 54

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-01-06 Page: 1-2

Interrogatory:

- a) Please provide schedules that for 2016, 2017 and 2018 set out the allocation of the total Common Corporate OM&A costs (per Table 1) between Hydro One's distribution and transmission businesses and each of its unregulated accounting segments.
- b) Are any of the Common Corporate OM&A costs allocated to Hydro One's distribution business subsequently assigned to the acquired utilities Norfolk, Haldimand and Woodstock?
- i. If no, why not – particularly for purposes of the 2018 proposed revenue requirement?
 - ii. If yes, please indicate what the amounts were for 2016, 2017 and 2018 and provide a schedule that reconciles these amounts with the amounts allocated to Hydro One's distribution business (per part (a)) and the amounts included in the proposed revenue requirement (per page 2, Table 2).

Response:

- a) Allocation is shown below for each of the three years.

2016 Other OM&A Allocation

	Dx	Tx	Telecom	Remotes	Holding
Planning	27.1%	72.9%			
Common Corporate Functions	47.2%	47.0%	1.2%	0.7%	3.9%
Information Technology	59.3%	39.6%	0.8%	0.3%	
Cost of External Revenue	50.5%	49.5%			
Other OM&A	47.6%	52.4%			

1 **2017 Other OM&A Allocation**

	Dx	Tx	Telecom	Remotes	Holding
Planning	27.9%	72.1%			
Common Corporate Functions	43.6%	47.6%	1.1%	0.7%	7.0%
Information Technology	58.8%	40.5%	0.5%	0.2%	
Cost of External Revenue	50.0%	50.0%			
Other OM&A	47.5%	52.5%			

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4 **2018 Other OM&A Allocation**

	Dx	Tx	Telecom	Remotes	Holding
Planning	28.0%	72.0%			
Common Corporate Functions	43.7%	47.7%	1.1%	0.7%	6.8%
Information Technology	58.3%	40.9%	0.6%	0.2%	
Cost of External Revenue	55.1%	44.9%			
Other OM&A	46.9%	53.1%			

5
6
7 Note: The Tx values include the small amount allocated to B2M and to Hydro One SSM.

- 8
9 b) The common corporate OM&A costs in Exhibit C1-01-06 have not been allocated to any
10 of the acquired customers.
- 11 i. As part of the MAAD application approvals, a five-year deferral period was
12 approved for each utility. The Handbook to Electricity Distributor and
13 Transmitter Consolidation says “to encourage consolidations, the OEB has
14 introduced policies that provide consolidating distributors with an opportunity to
15 offset transaction costs with any achieved savings¹.” Savings in Common
16 Corporate OM&A cost are part of the synergy savings achieved as a result of
17 these transactions. Hydro One has not forecast any incremental increase in
18 common corporate costs as a result of these transactions. Therefore, the common
19 corporate costs as provided in Exhibit C1-01-06 are recovered from legacy
20 ratepayers only until December 31, 2020 (the period when the proposed
21 distribution rate freeze period would cease). In 2021, for rate-making purposes,
22 overhead allocations are applied to determine cost-based rates.
 - 23 ii. Not Applicable

¹ Handbook to Electricity Distributor and Transmitter Consolidation, page 11

Vulnerable Energy Consumers Coalition Interrogatory # 55

Issue:

Issue 40: Are the proposed 2018 human resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate (excluding executive compensation)?

Reference:

C1-01-06 Page: 1-2
C1-04-01-01, Table 4

Interrogatory:

- a) Please reconcile the total Common Corporate OM&A costs for 2018 as reported in: i) Exhibit C1, Tab 1, Schedule 6, Table 1 and ii) Exhibit C1, Tab 4, Schedule 1, Attachment 1, Table 4.
- b) Please reconcile the Common Corporate OM&A costs allocated to the distribution business for 2018 as reported in: i) Exhibit C1, Tab 1, Schedule 6, Table 2 and ii) Exhibit C1, Tab 4, Schedule 1, Attachment 1, Table 4.

Response:

- a) Exhibit C1, Tab 4, Schedule 1, Attachment 1, Table 4 - Review of Allocation Common Corporate Costs is applicable to all corporate common costs of Hydro One. In the evidence corporate common costs are partially included in a number of exhibits.
- Exhibit C1, Tab 1, Schedule 6, Table 1, Planning costs are allocated from the common costs model, with more details provided in Exhibit C1, Tab 1, Schedule 8.
 - Common Corporate Functions & Services includes mostly Corporate Common Costs resulting from the allocation model referenced above, and include work program costs as well, as described and detailed in Exhibit C1, Tab 1, Schedule 7.
 - Information Technology costs also include work program costs, as described in Exhibit C1, Tab 1, Schedule 9.
 - The two remaining items (Cost of External Revenue Exhibit C1, Tab 1, Schedule 10 and Other OM&A Exhibit C1, Tab 1, Schedule 7) are not related to the allocation model referenced above.
- b) Same response is applicable for the costs allocated to the distribution business.

1 **Building Owners and Managers Association Toronto Interrogatory # 155**

2
3 **Issue:**

4 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
5 showing efficiency and value for dollar associated with its compensation costs (excluding
6 executive compensation)?

7
8 **Reference:**

9 Financial Statements Page: 8

10
11 **Interrogatory:**

12 OM&A costs as of June 30, 2017 were \$298 million, up 4.5% from \$285 million in 2016. Please
13 provide consulting costs incurred, related to the acquisition of Arista Corporation, and confirm
14 that these costs are not recovered from ratepayers. If they were chargeable to ratepayers, please
15 explain.

16
17 **Response:**

18 The consulting costs related to the acquisition of Avista were \$3 million as at June 30, 2017.
19 These costs will not be recovered from ratepayers.

Canadian Manufacturers & Exporters Interrogatory # 35

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Issue:

Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

C1-02-01-07 Page 2 Lines 1 to 4

Interrogatory:

Hydro One states that past applications only captured total compensation for employees on payroll on December 31 but that not all of Hydro One’s employees are on payroll at that time and that this is particularly true of temporary and casual staff.

- a) Please provide a table indicating the headcount and FTE total number of temporary and casual staff which were not included in Hydro One’s past applications from 2014 to 2017.
- b) Please include in the same table the total value of these employees compensation using the “total compensation” approach.

1 **Response:**

2 a) and b)

3

Compensation Costs 2014-2017				
	2014	2015	2016	2017
Total Temporary and Casual Resources				
Variance Temps Total to Year End	2,523	2,288	2,217	1,866
Variance Temps FTE to Year End	879	779	817	643
Variance Temps Total Comp to Year End Comp	91,467,731	78,283,006	85,001,357	69,835,284
	2014	2015	2016	2017
Temporary PWU Staff Variance	682	469	384	373
Temporary PWU Staff Variance Base Comp	15,402,758	7,314,552	6,339,047	3,961,838
Temporary PWU Staff Variance Compensation	19,899,883	9,275,777	7,862,812	4,413,966
	2014	2015	2016	2017
Temporary Society Staff Variance	38	32	30	11
Temporary Society Staff Variance Base Comp	1,497,981	1,071,353	871,029	1,143,263
Temporary Society Staff Variance Compensation	1,935,344	1,358,612	1,080,405	1,273,733
	2014	2015	2016	2017
Temporary MCP Staff Variance	24	22	28	13
Temporary MCP Staff Variance Base Comp	564,681	421,637	1,641,221	1,489,715
Temporary MCP Staff Variance Compensation	729,550	534,689	2,035,734	1,659,723
	2014	2015	2016	2017
Temporary Casual Staff Variance	1,779	1,765	1,775	1,469
Temporary Casual Staff Variance Base Comp	53,331,746	52,923,687	59,677,315	56,087,151
Temporary Casual Staff Variance Compensation	68,902,954	67,113,928	74,022,406	62,487,862
	2014	2015	2016	2017
Year-End Temporary Staff Details				
PWU	160	154	230	155
Society	53	56	51	53
MCP	27	34	26	29
Casual	1,951	1,819	1,971	1,961
	2014	2015	2016	2017
Total Headcount Temporary Staff Details				
PWU	842	623	614	528
Society	91	88	81	64
MCP	51	56	54	42
Casual	3,730	3,584	3,746	3,430

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1 **Energy Probe Research Foundation Interrogatory # 59**

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3 **Issue:**

4 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
5 showing efficiency and value for dollar associated with its compensation costs (excluding
6 executive compensation)?

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8 **Reference:**

9 C1-01-05 Page: 10 Table 9

10
11 **Interrogatory:**

12 Please update these figures with the most recent information and provide data back to 2010.

13
14 **Response:**

15 2010 to 2013 cost per customer calculations are provided below based on information provided
16 in Hydro One's last custom distribution application (see Exhibit C1, Tab 2, Schedule 5, Table 1
17 in EB-2013-0416).

18

Customer Service	2010 Actual	2011 Actual	2012 Actual	2013 Actual
Total OM&A (Million) *	112.2	112.9	115.9	138.8
Number of Customers (Million)	1.21	1.22	1.24	1.29
Customer Care OM&A Cost per Customer	\$93	\$93	\$93	\$108

19 * Costs associated with the Smart Grid Pilot are now included in the
20 Exhibit C1, Tab 1, Schedule 4 (Operations OM&A) Exhibit.

21
22 2014 to 2016 cost per customer calculations are provided in EB-2017-0049 (Exhibit C1, Tab 1,
23 Schedule 5, Table 9).

Table 9: Customer Care OM&A Allocated to Distribution Cost per Customer

Customer Service	Historic			Bridge	Test
	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Forecast
Total OM&A (Million)	\$209.3	\$155.4	\$118.8	\$132.6	\$131.6
Number of Customers (Million)	1.27	1.27	1.28	1.29	1.30
Customer Care OM&A Cost per Customer	\$165	\$122	\$93	\$103	\$101

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Audited 2017 actuals are unavailable at the time of writing this response. Hydro One will provide audited 2017 actuals after they become available.

Energy Probe Research Foundation Interrogatory # 60

Issue:

Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

C1-05-01 Page: 5 Table 1

Interrogatory:

Please provide the most recent figures for 2017.

Response:

Please see below for 2017 actual results.

Statement of Work	Performance Indicators Measured for 2017	Performance MET	Target Performance NOT MET	Minimum Performance NOT MET	% Met
Information Technology Services	567	526	34	7	93%
Finance and Accounting Services	207	199	6	2	96%
Payroll Services	156	143	10	3	92%
Supply Chain Services	345	334	10	1	97%
Settlement Services	139	139	0	0	100%
Customer Service Operations	935	879	35	21	94%
Total	2349	2220	95	34	95%

The table above includes a report of actual results for Inergi's Performance Indicators (PIs) for the period January 2017 to December 2017. As indicated, Inergi met or exceeded 95% of all statements of work during the period.

1 **Energy Probe Research Foundation Interrogatory # 61**

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3 **Issue:**

4 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
5 showing efficiency and value for dollar associated with its compensation costs (excluding
6 executive compensation)?

7

8 **Reference:**

9 C1-02-01 Page: 30

10

11 **Interrogatory:**

12 Does Hydro One have study or a report that has examined the advantages and disadvantages of
13 using its own casual construction labour for construction projects instead of contracting out
14 construction work? If there is such a study or a report, please file it.

15

16 **Response:**

17 Hydro One does not have an official report or study comparing construction labour rates. Based
18 on Hydro One’s project experience working with a variety of external contractors, there is little
19 difference in construction labour costs on internally or externally sourced work. The skilled
20 labour trades for both internal construction forces and those utilized by Hydro One’s contractors
21 are obtained from the same common local union hiring halls. Because all construction labour
22 within Ontario’s electrical power sector have similar labour rates, there is no cost savings in
23 labour rates. If there were any cost efficiencies in using external contractors, they would be
24 offset by external contractors’ profit margins. With the exception of distribution station
25 refurbishments, there is little construction work within the distribution business.

1 **Energy Probe Research Foundation Interrogatory # 62**

2
3 **Issue:**

4 Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and
5 showing efficiency and value for dollar associated with its compensation costs (excluding
6 executive compensation)?

7
8 **Reference:**

9 C1-02-01-06 Table 1

10
11 **Interrogatory:**

12 Please add the following lines to Table 1:

- 13
14 a) Hydro One total FTEs (all categories of employees)
- 15
16 b) Total compensation (all categories including incentive payments) per FTE
- 17
18 c) Percent change in total compensation per FTE from previous year

19
20 **Response:**

21 See the following table.

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 Tab 41
 Schedule EnergyProbe-62
 Page 2 of 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL Unrepresented Headcount FTE	605	597	611	679	675	671	669	668	668
TOTAL Society Represented Headcount FTE	1,291	1,282	1,267	1,375	1,380	1,376	1,370	1,363	1,363
TOTAL PWU Represented Headcount FTE	3,342	3,356	3,391	3,480	3,444	3,423	3,413	3,403	3,395
TOTAL Temporary Headcount FTE	3,070	2,842	3,095	3,047	3,107	3,035	3,036	3,040	3,041
Total Headcount	8,308	8,077	8,364	8,581	8,606	8,505	8,488	8,474	8,467
Unrepresented Comp / FTE (\$)	227,697	238,254	236,029	247,514	258,822	263,854	268,937	274,037	279,152
% Increase	-	4.6%	-0.9%	4.9%	4.6%	1.9%	1.9%	1.9%	1.9%
Society Comp / FTE (\$)	190,687	193,951	181,271	181,440	186,088	187,025	187,968	188,868	189,696
% Increase	-	1.7%	-6.5%	0.1%	2.6%	0.5%	0.5%	0.5%	0.4%
PWU Comp / FTE (\$)	177,690	175,687	165,515	167,509	169,890	175,206	176,946	178,644	180,325
% Increase	-	-1.1%	-5.8%	1.2%	1.4%	3.1%	1.0%	1.0%	0.9%
Temporary Comp / FTE (\$)	83,882	83,763	84,187	84,683	85,673	86,809	87,712	88,645	89,710
% Increase	-	-0.1%	0.5%	0.6%	1.2%	1.3%	1.0%	1.1%	1.2%
Total Comp / FTE (\$)	148,687	150,866	142,958	146,662	149,058	152,568	154,058	155,522	157,085
% Increase	-	1.5%	-5.2%	2.6%	1.6%	2.4%	1.0%	1.0%	1.0%

1

Witness: MCDONELL Keith

Vulnerable Energy Consumers Coalition Interrogatory # 56

Issue:

Issue 41: Has Hydro One demonstrated improvements in presenting its compensation costs and showing efficiency and value for dollar associated with its compensation costs (excluding executive compensation)?

Reference:

A-06-03
C1-06-01 - Tables 1, 2 and 3

Interrogatory:

- a) Please explain the treatment of the depreciation & amortization costs related to the acquired utilities Norfolk, Haldimand and Woodstock in both Exhibit A, Tab 6, Schedule 3 and Exhibit C1, Tab 6, Schedule 1, Table 1.
- b) Please reconcile the differences between the depreciation values for 2017 and 2018 as reported in the two references in part (a).
- c) Please provide the forecast 2017 and 2018 depreciation costs associated with Norfolk, Haldimand and Woodstock using the same categories as set out in Exhibit C1, Tab 6, Schedule 1, Tables 1, 2 and 3.
- d) If the differences noted in part (b) are (in part or whole) related to the depreciation costs associated with Norfolk, Haldimand and Woodstock, please reconcile the variances noted in part (b) for 2017 and 2018 with the forecast 2017 and 2018 depreciation costs for these acquired utilities as set out in part (c).

Response:

- a) Depreciation & amortization costs related to the acquired utilities including Norfolk, Haldimand and Woodstock are not included in Exhibit A, Tab 6, Schedule 3, but are included in Exhibit C1, Tab 6, Schedule 1, Table 1 for only 2021 and 2022.
- b) Please see Exhibit C1, Tab 6, Schedule 2, page 2 which reconciles the differences.

1 c) 2017 and 2018 forecasted depreciation costs are as follows:
2

Haldimand	2017	2018
Depreciation	1.5	1.5

Norfolk	2017	2018
Depreciation	1.4	1.4

Woodstock	2017	2018
Depreciation	1.1	1.1

Total	2017	2018
Depreciation	3.9	4.0

3
4
5

d) As noted above, differences are not related to Norfolk, Haldimand and Woodstock.

1 **Building Owners and Managers Association Toronto Interrogatory # 160**

2
3 **Issue:**

4 Issue 42: Is the updated executive compensation information filed by Hydro One in the
5 distribution proceeding on December 21, 2017 consistent with the OEB's findings on executive
6 compensation in the EB-2016-0160 Transmission Decision?
7

8 **Reference:**

9 Financial Statements Page: 19
10

11 **Interrogatory:**

- 12 a) Please confirm that any expenditures or commitments made, or liabilities incurred, by Hydro
13 One Limited or Hydro One Inc., in connection with the Arista acquisition, including, for
14 example, a potential termination fee of \$103 million, will not in any manner be the
15 responsibility of Networks' ratepayers.
16
- 17 b) On the assumption that Hydro One Inc. (or Hydro One Limited) continues to hold all
18 corporate debt, please discuss how the financing obligation for the Arista corporation will be
19 kept separate from the financing from Networks, so that the ratepayers can, in no
20 circumstances, become liable for the payment of debt incurred by the unregulated entities for
21 the purchase of Arista.
22
- 23 c) Please confirm that none of the "transaction costs" or "implementation costs" of the Arista
24 acquisition will be the responsibility of Networks' ratepayers.
25

26 **Response:**

- 27 a) Hydro One confirms that any expenditures or commitments made, or liabilities incurred, by
28 Hydro One Limited or Hydro One Inc., in connection with the Avista acquisition, will not be
29 the responsibility of Networks' ratepayers.
30
- 31 b) Please see the financing plan on page A-8 of the prospectus for the convertible debenture
32 issued for the Avista acquisition, as provided in response to Exhibit I-36-BOMA-B159,
33 Attachment 1. The additional debt required to fund the acquisition will be issued by a
34 separate subsidiary of Hydro One Limited ("Canadian Subco"), not Hydro One Inc. Hydro
35 One Inc. and Hydro One Networks, in no circumstances, can become liable for the payment
36 of this debt.

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Page 2 of 2

- 1 c) Hydro One confirms that none of the “transaction costs” or “implementation costs” of the
- 2 Avista acquisition will be the responsibility of Networks’ ratepayers.

1 **Consumers Council of Canada Interrogatory # 61**

2
3 **Issue:**

4 Issue 42: Is the updated executive compensation information filed by Hydro One in the
5 distribution proceeding on December 21, 2017 consistent with the OEB's findings on executive
6 compensation in the EB-2016-0160 Transmission Decision?
7

8 **Reference:**

9 E1-01-02 Page 4
10

11 **Interrogatory:**

12 Please explain how the External Regulated Revenue Forecast is derived as set out in Table 3.
13 Please refer specifically to each of the revenue categories.
14

15 **Response:**

16 The breakdown of each revenue category is shown in Exhibit E1, Tab 1, Schedule 2, Tables 4, 5,
17 6, 7 and 8.
18

19 Retail Services Capital Revenues (shown in Table 4) are calculated by multiplying the 'Volume
20 Forecast' in Exhibit E1, Tab 1, Schedule 2, Table 4, by the corresponding "Calculated Total
21 Charge" in Exhibit H1, Tab 2, Schedule 3, Appendix A.
22

23 Sentinel Lights Revenues are shown in Table 5. The Sentinel Light Rental Charge revenues are
24 calculated by multiplying the 'Volume Forecast' in Exhibit E1, Tab 1, Schedule 2, Table 5 (Rate
25 Code 50) by the "Calculated Monthly Charge Per Light" in Exhibit H1, Tab 2, Schedule 3,
26 Appendix C, Table 1, and then multiplying that charge by 12 months to derive the annual
27 revenue. The Sentinel Light Pole Rental Charge revenues are calculated by multiplying the
28 'Volume Forecast' in Exhibit E1, Tab 1, Schedule 2, Table 5 (Rate Code 51) by the "Calculated
29 Monthly Charge Per Pole" in Exhibit H1, Tab 2, Schedule 3, Appendix C, Table 2, and then
30 multiplying that charge by 12 months to derive the annual revenue.
31

32 Regulated Joint Use Revenues (shown in Table 6) are calculated by multiplying the 'Volume
33 Forecast' in Exhibit E1, Tab 1, Schedule 2, Table 6 by the corresponding charge in Exhibit H1,
34 Tab 2, Schedule 3, Table 1 (Rate Codes 30, 47, 48, and 49).
35

36 The Other External Work revenues, shown Exhibit E1, Tab 1, Schedule 2, Table 7, are calculated
37 using historical data, and escalated at an estimated value of 2% each year.

Witness: BOLDT John

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- 1 Regulated Distribution Generator Studies Revenues (shown in Table 8) are calculated by
- 2 multiplying the 'Volume Forecast' in Exhibit E1, Tab 1, Schedule 2, Table 8 by the
- 3 corresponding "Connection Impact Assessment" charge in Exhibit H1, Tab 2, Schedule 3, Table
- 4 1 (Rate Codes 45a, 45b, 45c, 45d, 45e, and 45f).

Vulnerable Energy Consumers Coalition Interrogatory # 60

Issue:

Issue 42: Is the updated executive compensation information filed by Hydro One in the distribution proceeding on December 21, 2017 consistent with the OEB’s findings on executive compensation in the EB-2016-0160 Transmission Decision?

Reference:

E1-01-02 Page: 6 and Page 9 (Lines 6-8)

Interrogatory:

- a) When was the on-line service for this activity (Rate Code 14) put in place?
- b) How was the forecast decline in volumes determined for this activity?

Response:

- a) Hydro One’s *myAccount* self-service portal was introduced several years ago, with limited capabilities to complete this activity. Hydro One launched its new *myAccount* self-service portal in late 2017, which enhanced this functionality, thereby enabling customers to complete this transition on a mobile device.
- b) Refer to Exhibit I-42-VECC-59 c).

1 **Vulnerable Energy Consumers Coalition Interrogatory # 61**

2
3 **Issue:**

4 Issue 42: Is the updated executive compensation information filed by Hydro One in the
5 distribution proceeding on December 21, 2017 consistent with the OEB's findings on executive
6 compensation in the EB-2016-0160 Transmission Decision?
7

8 **Reference:**

9 E1-01-02 Page: 8-9 (Lines 14-20)
10

11 **Interrogatory:**

- 12 a) The Application states that Late Payment revenue is expected to increase as the customer
13 base increases. Did the forecast revenue also account for the fact that customers' monthly
14 bills are also increasing over the period? If yes, please explain how this was taken into
15 account.
16
- 17 b) Please explain the significant increase in Late Payment revenues between 2014 and 2015.
18
- 19 c) Please explain the drop in revenues as between those historically seen in 2015 and 2016
20 versus those forecast for the 2018-2022 period.
21

22 **Response:**

- 23 a) Hydro One's total invoiced revenue is expected to increase over the Custom IR period.
24 Hydro One's Distribution Rate Application assumes a Late Payment Revenue increase of
25 1.5% per annum beginning 2018. Hydro One will continue to refine collection policies
26 and practices, which is expected to reduce the total overdue accounts receivable.
27
- 28 b) In May 2013, Hydro One introduced a new Customer Information System (CIS). There
29 were a number of issues shortly after implementation, which resulted in some customers
30 not receiving their bills in a timely manner, or some customers receiving bills based on
31 estimated usage. Since Hydro One was unable to send customers timely and accurate
32 bills, it was decided that the best course of action was to suspend the collections program
33 and cease charging customers late payment charges. The collections program was
34 reactivated in 2015, including the application of late payment charges.
35
- 36 c) As a result of the suspension of Hydro One's collections program in 2014 and 2015,
37 overdue accounts receivable peaked at \$194 million in 2015. Given the heightened level
38 of overdue accounts receivable, late payment revenue correspondingly increased well

1 above historical norms. Beginning in 2016 and continuing into 2017, Hydro One
2 significantly reduced its overdue accounts receivable balance, which resulted in a third
3 quarter result of \$86 million in 2017. Overdue accounts receivable is expected to
4 continue to decline over the filing period; as a result, modest increases in revenue are
5 incorporated into the plan.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 62**

2
3 **Issue:**

4 Issue 42: Is the updated executive compensation information filed by Hydro One in the
5 distribution proceeding on December 21, 2017 consistent with the OEB’s findings on executive
6 compensation in the EB-2016-0160 Transmission Decision?
7

8 **Reference:**

9 E1-01-02 Page: 7 and Page 10 (Lines 1-6)
10 H1-02-03 Page 6
11

12 **Interrogatory:**

- 13 a) Exhibit H1 indicates that Rate Code 31 is new. However, Exhibit E1 indicates there were
14 volumes/revenues for 2014-2016. Please reconcile.
15
16 b) Why are there no forecast volumes/revenues associated with Rate Code 31b?
17

18 **Response:**

- 19 a) Hydro One has conducted Vacant Premise orders for several years in an effort to identify
20 the new customer at the premise. In its Decision issued on March 12, 2015 in relation to
21 EB-2013-0416, the OEB directed Hydro One to file with this Application a study
22 assessing whether its Specific Service Charges reflect its underlying costs to perform
23 those services (“the Time Study”) and propose changes accordingly. Hydro One has
24 completed the Time Study (as outlined in Exhibit H1, Tab 2, Schedule 3, Attachment 1)
25 and proposes the new charges detailed in this Exhibit. Based on these results, Hydro One
26 is proposing to charge customers for this service, effective 2018.
27
28 b) The majority of vacant premise reconnection orders occur at the meter. Hydro One does
29 not anticipate reconnection at the pole to occur frequently.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 63**

2
3 **Issue:**

4 Issue 42: Is the updated executive compensation information filed by Hydro One in the
5 distribution proceeding on December 21, 2017 consistent with the OEB's findings on executive
6 compensation in the EB-2016-0160 Transmission Decision?
7

8 **Reference:**

9 E1-01-02 Page: 14
10

11 **Interrogatory:**

12 a) Why is there no increase in the volumes associated with Rate Code 49 for the period 2021-
13 2022 to account for the integration of Norfolk Power, Haldimand Hydro & Woodstock
14 Hydro in 2021?
15

16 **Response:**

17 a) The volumes associated with Rate Code 49 (Specific Charge for Access to Power Poles –
18 Municipal Streetlights) for the acquired LDCs (Norfolk Power, Haldimand Hydro &
19 Woodstock Hydro) were missed in the revenue projections. There are 6,501 lights being
20 integrated into Hydro One from these LDCs in 2021. The impact is below the materiality
21 threshold.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 64**

2
3 **Issue:**

4 Issue 42: Is the updated executive compensation information filed by Hydro One in the
5 distribution proceeding on December 21, 2017 consistent with the OEB's findings on executive
6 compensation in the EB-2016-0160 Transmission Decision?

7
8 **Reference:**

9 E1-01-02 Page: 19
10 EB-2015-0141, OEB Decision, page 8

11
12 **Interrogatory:**

- 13 a) In its EB-2015-0141 Decision the Board determined that vegetation management costs would
14 not be recovered in the pole attachment rate. How does Hydro One Networks propose to
15 recover the vegetation management costs incurred on behalf of 3rd party pole attachers?
16
17 b) What were the actual costs for such vegetation management in 2016 and what are the
18 forecast costs for 2018-2022?
19

20 **Response:**

- 21 a) Hydro One will not be performing vegetation management activities on behalf of third party
22 pole attachers during the 2018-2022 period, as presented in Exhibit I-45-SEC-87 b).
23
24 b) Based on Hydro One's new approach to vegetation management, as referenced in Exhibit I-
25 42-VECC-64 a) above, this is no longer applicable.

Consumers Council of Canada Interrogatory # 62

1
2
3 **Issue:**
4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**
8 None
9

10 **Interrogatory:**
11 Please explain to what extent the Fair Hydro Plan will impact HON's load forecast as set out in
12 the Application. Does HON intend to update its load forecast to incorporate the impacts of the
13 Fair Hydro Plan? If not, why not?
14

15 **Response:**
16 Please see part (k) of Exhibit I-46-CME-80, which indicates that the impacts of Fair Hydro Plan
17 are already accounted for in the forecast. An updated load forecast is provided in Exhibit I-46-
18 Staff-219.

1 **School Energy Coalition Interrogatory # 86**

2
3 **Issue:**

4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**

8 C1
9

10 **Interrogatory:**

11 For each year between 2014 and 2022, please provide the percentage of OM&A that is
12 undertaken by third-parties. Please also breakdown which activities they undertaken and which
13 category of spending they fall under.
14

15 **Response:**

16 Hydro One does not have all the data required to perform the analysis requested in this
17 interrogatory readily available. For these reasons, this information is currently unavailable and
18 would require unreasonable effort to procure in the timeframe given.

1 **The Society of Energy Professionals Interrogatory # 18**

2
3 **Issue:**

4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**

8 On page 20 of Hydro One's publicly available Q2 2017 consolidated MD&A
9 [[https://www.hydroone.com/investorrelations/Reports/Hydro%20One%20Limited%20Q17%20](https://www.hydroone.com/investorrelations/Reports/Hydro%20One%20Limited%20Q17%20Results.pdf)
10 [Results.pdf](https://www.hydroone.com/investorrelations/Reports/Hydro%20One%20Limited%20Q17%20Results.pdf)], the Company notes "as the result of the pursuit and completion of the (Avista)
11 Merger, additional demands will be placed on the Company's managerial, operational and
12 financial personnel and systems."
13

14 **Interrogatory:**

- 15 a) What duration does Networks foresee that these personnel and systems will be drawn on by
16 the needs of the merger?
17
- 18 b) Within the five-year custom IR rate setting period, does Distribution foresee the need for any
19 revisions to the Black and Veatch shared cost allocation model to reflect potential senior
20 management, finance, operational or other support of, or resource sharing with the Merger or
21 with Avista Inc.? If not, why not?
22
- 23 c) On page 2 of Hydro One Limited's publicly available 2017 Q3 MD&A
24 ([https://www.hydroone.com/investorrelations/Reports/Hydro%20One%20Q3%20Results.](https://www.hydroone.com/investorrelations/Reports/Hydro%20One%20Q3%20Results.pdf)
25 [pdf](https://www.hydroone.com/investorrelations/Reports/Hydro%20One%20Q3%20Results.pdf)), the Company reports "costs related to acquisition of Avista Corporation" of \$18
26 million in the quarter and \$21 million fiscal year to date as of September 30, 2017. Please
27 confirm that none of these costs have been directly, or indirectly, charged to Hydro One
28 Networks' Distribution Business.

1 **Response:**

2 a) Hydro One Networks foresees that the personnel and systems will be drawn on until the Merger
3 closes, which is expected to be late in 2018.

4
5 b) Post-merger Avista will continue to operate as a stand-alone business. Hydro One and Avista
6 have not yet identified any areas where there will be shared corporate services. As a result,
7 there is no reason at this point in time to revise the Black and Veatch shared cost allocation
8 model.

9
10 c) None of the costs noted have been charged to Hydro One Networks' Distribution Business.

1 **The Society of Energy Professionals Interrogatory # 19**

2
3 **Issue:**

4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**

8 Previous Proceeding Page: EB-2016-0160
9

10 The OEB's September 14, 2017 Decision and Order on Network's Transmission application
11 (EB-2016-0160) noted that "Hydro One's use of USGAAP for regulatory purposes..., including
12 the capitalization of overheads, will not be varied at this time. Separate and apart from this
13 proceeding, the OEB will consider whether it should initiate a policy review of the
14 appropriateness of the continued use by the utilities it regulates of USGAAP for the purpose of
15 determining the capitalization of overhead amounts."
16

17 As Transmission and Distribution are the two regulated arms of Networks and, given that they
18 are effectively forced by practicality and circumstance to use consistent regulatory and financial
19 accounting policies, any potential change in regulatory accounting policy for the classification of
20 overheads as capital or OM&A in the Transmission Business would appear to have significant
21 relevance to Networks' Distribution business as well.
22

23 **Interrogatory:**

- 24 a) Has Networks carried out any good-quality estimates of the dollar amount and related
25 Distribution rate impact of moving to an MIFRS-based overhead capitalization policy for the
26 Distribution business?
27
- 28 b) If so, please provide the estimate with appropriate assumptions and caveats regarding
29 precision for each year in the rate setting period.
30
- 31 c) Has Networks carried out any work in estimating other incremental capital or OM&A costs
32 that would be incurred if the Networks regulated Distribution businesses were mandated by
33 the OEB to move to an IFRS-based overhead and indirect cost capitalization policy? For
34 example: can Networks estimate the Distribution portion of any related IT system change
35 costs; incremental finance staff; incremental IFRS consulting, additional audit fees; other
36 costs etc.

- 1 d) Has Networks detected any material changes to the regulatory, accounting or economic facts
2 and arguments provided to the OEB in Networks' study "Distribution Business – Review of
3 Overhead Capitalization Policy," filed in EB-2013-0416 as Exhibit C1-5-2 Attachment 2?
4 Has Networks considered updating this study in response to the OEB's EB-2016-0160
5 Transmission decision?
6
- 7 e) Would Networks agree that an OEB-mandated change in overhead capitalization policy from
8 its current US GAAP compliant approach to an IFRS-complaint approach likely trigger a "Z
9 factor" event if it occurred within the Distribution five-year custom IR period?
10
- 11 f) Please comment on Networks' ability to provide the OEB with adjusted financial
12 information, normalizing its accounting for overheads and other indirect costs, in sufficient
13 detail to allow for the OEB to carry out reasonably accurate total cost or total OM&A
14 benchmarking with utilities using MIFRS as opposed to US GAAP.
15

16 **Response:**

- 17 a) Hydro One has not prepared a recent estimate of the impact of moving to an MIFRS-based
18 overhead capitalization policy.
19
- 20 b) Please see response to a) above
21
- 22 c) Please see response to a) above
23
- 24 d) The study filed in EB-2013-0416 as Exhibit C1-5-2 Attachment 2 has not been updated.
25
- 26 e) As noted in our response to part a) above, Hydro One has not prepared a recent estimate of
27 the impacts. However, based on estimated impacts provided in previous filings it is Hydro
28 One's expectation that the impact would be significant and therefore likely to trigger a "Z
29 factor" if it was to occur within the Distribution five-year custom IR period.
30
- 31 f) In order to provide financial information at a level of detail sufficient to allow the OEB to
32 benchmark Networks' Distribution business with utilities using MIFRS, Networks would
33 need to conduct a detailed study of overhead capitalization under USGAAP and MIFRS to
34 determine the impact for both its Distribution and Transmission businesses and this would be
35 a significant undertaking.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 65**

2
3 **Issue:**

4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**

8 E1-02-01 Page: 1 (Lines 14-15)
9

10 **Interrogatory:**

- 11 a) Please clarify what point on Hydro One’s system is considered to be the “wholesale level”.
12
13 b) Please provide a listing of the tables in Schedule 1 where the values are not reported at the
14 “wholesale level” and in each case indicate at what level the values are reported.
15

16 **Response:**

- 17 a) “Wholesale level” is Hydro One Distribution load coming through transformers connecting
18 Hydro One Distribution to the IESO-controlled grid (115 kV and above) as measured on the
19 high-side of transformers. It also includes Hydro One load purchased from generators inside
20 the Hydro One Distribution system. Thus, load at the wholesale level includes distribution
21 losses.
22
23 b) All tables in Exhibit E1, Tab 2, Schedule 1 are at the wholesale level, except Tables E.6, E.7,
24 and E.9. In the latter tables, load is measured at the sales level and, as such, excludes
25 distribution losses.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 67**

2
3 **Issue:**

4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**

8 E1-02-01 Page: 2 (Lines 16-19)
9

10 **Interrogatory:**

11 a) Are the comparisons set out in Appendix E, Table E.1 based on Hydro One Distribution's
12 total load forecast or its forecast for retail sales?
13

14 b) If based on retail sales, please provide a table similar to E.1 based on Hydro One
15 Distribution's forecast and actual ST sales.
16

17 **Response:**

18 a) The comparisons are for retail purchases. As mentioned in the footnote to Table 1 in the
19 Exhibit noted above, performance of retail load is tracked because it accounts for about 97
20 percent of Hydro One Distribution revenue requirement in the year 2016.
21

22 b) Provided below is the equivalent of Table E.1 for ST Sales.

Comparison of Forecasts Used in Previous Rate Submissions with Actual
(GWh)

Year	2005	2007	2009	2013	Weather	<u>% Difference from Weather Corrected Actual</u>				
	Forecast (EB-2005-0378)	Forecast (EB-2007-0681)	Forecast (EB-2009-0096)	Forecast EB-2013-0416	Corrected Actual	2005 Forecast	2007 Forecast	2009 Forecast	2014 Forecast	
2005	18,641				17,523	17,656	6.38			
2006	18,435				17,688	17,473	4.22			
2007		17,688			17,562	17,555		0.72		
2008		17,548			17,191	17,103		2.08		
2009		17,609	16,784		16,622	16,373		5.94	0.98	
2010			16,300		16,185	16,003			0.71	
2011			16,198		16,039	15,923			0.99	
2012					16,985	17,663				
2013					16,979	16,953				
2014				17,095	16,824	17,163			1.61	
2015				17,123	16,216	16,343			5.59	
2016				17,194	16,054	15,994			7.10	
Average					15,761	15,658	5.30	2.91	0.89	4.77

1

1 **Response:**

2 a)

- 3 i. For the Ontario population, actual data is from Statistics Canada, and forecast data is
4 based on average growth rate from IHS Global Insight and Centre for Spatial
5 Economics. For Ontario disposable income, please see Exhibit E1, Tab 2, Schedule
6 1, Appendix B, lines 16-22. For Ontario commercial GDP, actual data is from IHS
7 Global Insight and, for forecast data, please refer to Exhibit I-47-CME-80 a.ii). For
8 Ontario industrial GDP, the actual is from IHS Global Insight, for forecast, please
9 refer to Exhibit I-47-CME-80 a.iii). For Ontario number of households, the historical
10 is based on cumulating housing starts net of demolitions and, for forecast please refer
11 to Exhibit I-47-CME-80 a.iv).
- 12 ii. Please see Exhibit E1, Tab 2, Schedule 1, page 7, lines 1-6.
- 13 iii. Figures prior to 2017 are actual data, except for Ontario GDP which is partially
14 actual and partially forecast. 2017 figures are partially actual and partially forecast.
- 15 iv. Please see Exhibit I-46-Staff-219 Table E.3 for 2016 actual GDP.
- 16 v. Please see the corresponding tables in Exhibit I-46-Staff-219.

17
18 b)

- 19 i. In 2016, GDP growth was 2.7% and housing starts was 75.3 thousand units.
- 20 ii. Please see Exhibit I-46-Staff-219, Tables E2 and E.3.

21
22 c)

- 23 i. Please see Exhibit E1, Tab 2, Schedule 1, Appendix A lines 14-22.
- 24 ii. Please see response to question a) ii.
- 25 iii. Please see response to question a) iii.
- 26 iv. Please see Exhibit I-46-Staff-219, Attachment 1.

- 1 retail load before moving out some retail general service customers from retail load into the
2 ST rate class. To have a consistent series for econometric analysis, such general service load
3 was added back to retail load. This consistency is required in an econometric analysis to
4 avoid having a biased forecast.
5
6 b)
7 i. They are actuals, not weather normalized.
8 ii. LDC load includes LDC load alone and does not include Direct ST load.
9 iii. Direct ST load is not included in Attachment 1, but they are not excluded entirely
10 either. Part of this load is included in the retail data. (See part a) for background
11 information on the treatment of retail data.)
12 iv. Please see the attached MS Excel file to this response.
13
14 c) Confirmed.
15
16 d) Table E5 presents total Hydro One Distribution load. Attachment 1 presents variable use in
17 the retail and embedded LDC models and, as such, does not include Direct ST customers
18 except for General Service customers that were moved to ST class and were added back to
19 retail load as discussed in response to question a).

1 **Vulnerable Energy Consumers Coalition Interrogatory # 70**
2

3 **Issue:**

4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**

8 E1-02-01 Page: 9-10
9 E1-02-01 Page 39 – Table E.4
10

11 **Interrogatory:**

- 12 a) Are the customer count values in Table E.4 year-end or average annual values?
13
14 b) Please provide the customer count by customer class as of: i) June 30, 2017 and ii)
15 December 31, 2017.
16

17 **Response:**

- 18 a) They are year mid-point (June) values.
19
20 b) For June 30, 2017, please see Exhibit I-46-Staff-219, Table 4. Figures as of December 31,
21 2017 are not available at the present time.

1 **Vulnerable Energy Consumers Coalition Interrogatory # 72**

2
3 **Issue:**

4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**

8 E1-02-01 Page: 9-10

9 E1-02-01 Page 39 – Table E.4

10 EB-2013-0416, Exhibit I, Tab 6.06, Schedule 6-VECC 79
11

12 **Preamble:** The response to VECC 79 states: “For other rate classes, two basic factors affecting
13 the number of customer forecast are considered. First, load growth for these classes as
14 determined by the overall economic factors. Second, residential customers’ changes within the
15 retail territory are considered as most general service customers serve the retail community.”
16

17 **Interrogatory:**

- 18 a) For each of the other (non-residential) rate classes, please provide a schedule that sets out the
19 actual derivation of the forecast customer count for each of the years 2017-2020. In doing so
20 please provide all equations, inputs and associated calculations.
21
- 22 b) Please explain how the customer count forecasts for ST, Street Light, Sentinel Light and USL
23 are developed such that the values for 2017-2020 exclude the acquired utilities but the values
24 for 2021-2022 include the acquired utilities.
25

26 **Response:**

27 a) Please refer to the response to part a) of Exhibit I-43-VECC-71.
28

29 b) Customer count forecasts for ST, Street Light, Sentinel Light and USL were derived
30 separately for retail and Acquired Utilities. For the years 2021 and 2022 they were simply
31 added up together for each category noted above (e.g., retail street lighting number of
32 customer forecast was added to that for Acquired Utilities).

1 **Vulnerable Energy Consumers Coalition Interrogatory # 73**

2
3 **Issue:**

4 Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A
5 costs to the distribution business for 2018 and further years appropriate?
6

7 **Reference:**

8 E1-02-01 Page: 9, 20 and 39-42
9

10 **Interrogatory:**

- 11 a) Please provide versions of Tables 4, 7, E.5, E.6, E.7 and E.9 that also include the years back
12 to 2005.
13
14 b) Please provide a schedule that for the years 2015 and 2022 reconciles the CDM savings as
15 reported in Table 4 with those reported in Table E.9.
16

17 **Response:**

- 18 a) In 2008, new rate classes were introduced and the change was implemented over a four-year
19 period. Thus, the data for the new rate classes, total retail, and embedded load only stabilized
20 in 2011. Consequently, consistent data for the tables noted above prior to 2011 are not
21 available.
22
23 b) The CDM figures in Table 4 are at the wholesale level and, as such, include distribution
24 losses. In contrast, CDM figures in Table E.9 are at the sales level, so they do not include
25 distribution losses as presented in the following table in GWh.

Year	At Wholesale Level (From Table 4)					At End Use Level (From Table E.9)		
	Retail	ST Customers			Total	Retail	ST	Total
	Customers (1)	Direct (2)	LDC (3)	Total (4)=(2)+(3)		Customers (6)=(8)-(7) **	Customers (7)	
2015	1,619	169	856	1,025	2,644	1,500	992	2,492
2016	1,810	195	929	1,124	2,935	1,678	1,088	2,765
2017	1,983	208	1,052	1,260	3,243	1,838	1,218	3,056
2018	2,171	228	1,154	1,382	3,553	2,013	1,337	3,350
2019	2,378	251	1,264	1,514	3,892	2,205	1,464	3,669
2020	2,505	265	1,334	1,599	4,104	2,323	1,546	3,870
2021*	2,642	277	1,322	1,599	4,241	2,452	1,547	3,999
2022*	2,698	284	1,352	1,636	4,334	2,504	1,582	4,086

Note. All figures are weather-normal.

* Includes the impact of integrating Acquired Utilities into Hydro One Distribution.

** Thus retail CDM is calculated as total in table E.9 less ST in Table E.9.

Vulnerable Energy Consumers Coalition Interrogatory # 74

Issue:

Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A costs to the distribution business for 2018 and further years appropriate?

Reference:

E1-02-01 Page: 42 - Table E.9

EB-2013-0416, Exhibit A, Tab 16, Schedule 3, page 4, Table 1

EB-2013-0416, Exhibit I, Tab 6.06, Schedule 6- VECC 80 b) & c)

Interrogatory:

- a) Please reconcile the 2012 Retail CDM savings reported in the following three references: i) EB-2013-0416, VECC 80 b) (i.e., 1,142 GWh); ii) Table 1 per EB-2013-0416, Exhibit A, Tab 16, Schedule 3, page 4 and iii) the 2012 CDM savings for the Retail classes as reported in Table E.9.
- b) Please reconcile the 2012 ST CDM savings reported in EB-2013-0416, VECC 80 b) with the 2012 CDM savings for the ST class as reported in Table E.9.

Response:

- a) The CDM savings figures used in Hydro One's last custom distribution application (EB-2013-0416) were based on the following key information sources:
- the 2013 Long-term Energy Plan (LTEP) released by the Ministry of Energy in 2013;
 - "Conservation achievement potential" study conducted by ICF Marbek; and
 - Detailed CDM assumptions by category from the Ontario Power Authority.

The CDM savings figures used this Application were based on the following key information sources:

- the 2016 IESO Ontario Planning Outlook (OPO);
- province-wide Achievable Potential Study (APS) conducted by the IESO in 2016;
- IESO 2011-2014 conservation results report; and
- LDCs' 2015-2020 CDM targets.

The requested information could not be provided due to the fact that the current CDM assumptions are based on updated data.

Filed: 2018-02-12
EB-2017-0049
Exhibit I
Tab 43
Schedule VECC-74
Page 2 of 2

- 1 b) Please see response to question a) above

Vulnerable Energy Consumers Coalition Interrogatory # 75

Issue:

Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A costs to the distribution business for 2018 and further years appropriate?

Reference:

E1-02-01 Page: 9 (Table 4), 11 and 20 (Table 7)
 IESO Ontario Planning Outlook (OPO)
 EB-2013-0416, Exhibit A, Tab 16, Schedule 3, page 4, Table 1

Preamble: The Application states that the load forecast takes into account CDM detailed information consistent with the IESO Ontario Planning Outlook.

Interrogatory:

a) Please complete the following schedule showing the impact of each year’s CDM activity on Retail load consistent with Exhibit E1, Tab 2, Schedule 1, Table 4 and EB-2013-0416, Exhibit A, Tab 16, Schedule 3, Table 1

Initial Activity Year	Results by Year (Actual & Forecast)							
	2005	2006	2007	Annually to ---→				2022
2005								
2006								
2007								
Annually To ->								
2022								
Total								

b) Please complete the following schedule showing the impact of each year’s CDM activity on ST-Direct customer load consistent with Table 4.

Initial Activity Year	Results by Year (Actual & Forecast)							
	2005	2006	2007	Annually to ---→				2022
2005								
2006								
2007								
Annually To ->								
2022								
Total								

- 1
 2 c) Please complete the following schedule showing the impact of each year's CDM activity on
 3 ST-LDC customer load consistent with Table 4.
 4

Initial Activity Year	Results by Year (Actual & Forecast)							
	2005	2006	2007	Annually to ---→				2022
2005								
2006								
2007								
Annually To ->								
2022								
Total								

- 5
 6 d) Please explain how the actual savings reported in the parts (a)-(c) for programs implemented
 7 in each of the years 2006-2016 were determined and provide the sources used.
 8
 9 e) Please provide a schedule that compares the CDM savings assumed in EB-2013-0416 from
 10 CDM initiatives implemented in each of the years 2013-2016 with the actual values used in
 11 the current Application.
 12
 13 f) Please provide a breakdown of the 2006-2016 savings from CDM initiatives (per parts (a) to
 14 (c)) into the various CDM categories utilized by the IESO (per OPO, page 21). If not
 15 possible, please explain how the historical results are consistent with the OPO.

- 1 g) Please provide a copy of IESO 2011-2014 verified CDM results (including persistence for
2 the post 2014 period) report for Hydro One Networks. Please reconcile the values reported
3 by the IESO with those attributed to 2011-2014 program savings per part (f).
4
- 5 h) Please provide a copy of the IESO's 2016 verified CDM results report for Hydro One
6 Networks. Please reconcile the values reported by the IESO with those attributed to 2015
7 and 2016 program savings per part (f).
8
- 9 i) Please provide a copy of Hydro One Networks current 2015-2020 CDM Plan as approved by
10 the IESO. Please reconcile the CDM Plan values for 2017-2020 with those attributed to
11 2017-2020 program savings per part (f).
12
- 13 j) Please explain how the total CDM savings assumed savings from initiatives undertaken in
14 2017-2022 were determined and reconcile with IESO's OPO (page 21). Provide copies of
15 any reports/analyses relied upon.
16

17 **Response:**

- 18 a) Hydro One cannot complete the above schedule to show the impact of each year's CDM
19 activity by implementation year using the 2016 OPO and other available information, which
20 do not provide CDM savings by implementation year.
21
- 22 b) Please see response to question a) above.
23
- 24 c) Please see response to question a) above.
25
- 26 d) Hydro One incorporates cumulative CDM impacts in the load forecast. Due to data
27 availability issues from IESO, the historical CDM impact can only be "estimated" but not
28 "verified". The detailed calculations of CDM assumptions are provided in the response to
29 question (f) below.
30

31 The following table demonstrates what historical CDM impact was added to the actual load.
32 For example, the actual CDM impact in 2015 is the block 1 (C&S)+ block 4 (2006-2011
33 historical program persistence)+ block 6 (2012-2014 program persistence) + block 7 (2015
34 program impact). Currently, only the block 7 (2015 target programs' saving) result is
35 verified by the IESO. The impact due to codes and standards (C&S) (block 1), 2006-2014
36 historical energy efficiency (EE) program persistence savings are not available.

Category	Initial activity year	Results by Year										
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
C&S	2006-2016	1					1				1	
Energy Efficiently Programs	2006	2					3				4	
	2007											
	2008											
	2009											
	2010	5 - (2011-2014 verified results)					6					
	2011											
	2012											
2013	7 (2015-2016 verified results)											
2014												
2015												
2016												
8- TOTAL OF CDM IMPACT												

e) The requested information is provided below:

Energy Saving in MWh

Year	EB-2013-0416	EB-2017-0049
2013	1,593	1,135
2014	1,645	1,461
2015	1,681	1,664
2016	1,723	1,867

f) The table below provides the 2006-2016 CDM savings by category used in our load forecast:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EE programs (2006-2016)	200,490	425,706	488,358	576,085	626,212	715,242	776,780	868,734	989,181	1,046,627	1,104,456
Code and Standards	-	15,123	15,124	45,379	60,508	151,559	238,276	266,013	472,001	617,370	762,277

Exhibit I-43-VECC-075 Attachment 1 (MS Excel format) provides the detailed calculation used to determine the savings attributed to “savings from the historical programs” for Hydro One broken down into various OPA categories.

g) The IESO 2011-2014 Verified CDM results are provided in Exhibit I-43-VECC-075 Attachment 2 in MS Excel format.

The 2011-2014 target program actual savings is part of the all historical EE program impact. They cannot be reconciled with OPO savings because OPO categories are different.

h) The IESO 2016 Verified CDM result is provided in Exhibit I-43-VECC-075 Attachment 3 in MS Excel format.

The 2015 and 2016 target program saving assumptions implicit in the total of CDM forecast is as follows:

6 Year (2015-2020) GWh Target:						
Implementation year	2015	2016	2017	2018	2019	2020
2015	193	193	193	193	193	193
2016	-	193	193	193	193	193
2017	-	-	193	193	193	193
2018	-	-	-	193	193	193
2019	-	-	-	-	193	193
2020	-	-	-	-	-	193
Total in Year	193	386	580	773	966	1,159

The verified CDM energy savings for these two years are:

Implementation year	2015-2020 program verified result and persistence (GWh)					
	2015	2016	2017	2018	2019	2020
2015	336	316	313	313	312	310
2016	-	212	210	210	209	208
Total	336	528	523	522	521	519

The actual verified CDM savings in 2015 and 2016 is 134 GWh and 142 GWh higher than our assumptions for year 2015 and 2016, respectively.

i) Hydro One's CDM plan approved by the IESO is provided in Exhibit I-43-VECC-075 Attachment 4 in MS Excel format.

The 2017-2020 target program savings assumptions implicit in the total of CDM forecast is as follows:

6 Year (2015-2020) GWh Target:						
Implementation year	2015	2016	2017	2018	2019	2020
2015	193	193	193	193	193	193
2016	-	193	193	193	193	193
2017	-	-	193	193	193	193
2018	-	-	-	193	193	193
2019	-	-	-	-	193	193
2020	-	-	-	-	-	193
Total in Year	193	386	580	773	966	1,159

1 The 2017-2020 CDM savings in the most current 2015-2020 CDM plan approved by the
2 IESO is as follows:

Impelentation Year	2015	2016	2017	2018	2019	2020
2015	220	220	220	220	220	220
2016		243	243	243	243	243
2017			199	199	199	199
2018				265	265	265
2019					158	158
2020						170
Total	220	463	662	927	1,085	1,255

3
4
5 The CDM plan for the 2017-2020 is higher than the assumptions we used in the forecast.

6
7 j) The detail calculation to determine the savings in 2017-2022 is provided as an MS Excel I-
8 43-VECC-075-05. Reconciliation could not be performed as explained in response to (a).

Vulnerable Energy Consumers Coalition Interrogatory # 76

Issue:

Issue 43: Are the methodologies used to allocate Common Corporate Costs and Other OM&A costs to the distribution business for 2018 and further years appropriate?

Reference:

E1-02-01 Page: 20 and 22-31

Interrogatory:

- a) Please provide a schedule that sets out:
 - i. The actual weather normalized Retail Load for 2016 (before deducting impact of CDM)
 - ii. The predicted Retail load for 2016 and the forecast Retail load for 2017-2022 based on the Monthly Econometric Model.
 - iii. The predicted Retail load for 2016 and the forecast Retail load for 2017-2022 based on the Annual Econometric Model.
 - iv. The predicted Retail load for 2016 and the forecast Retail load for 2017-2022 based on the End Use Model.
 - v. The forecast Retail load for 2017-2022 per the Application (before deducting impact of CDM).
- b) Please explain how each of the models and resulting forecasts accounted for the fact that the forecast for 2017-2020 excluded the load for the acquired utilities but the forecast for 2021-2022 included this load.
- c) Please provide the detail calculations setting out how the proposed Retail load forecast (before deducting CDM) for each of the years 2017 to 2022 was determined using the results of these three models.

Response:

- a)
 - i. The actual weather normalized Retail Load for 2016 (before deducting impact of CDM) is 21,896 GWh. Retail load is based on its current definition so that it does not include general service customers moved to ST rate class due to the reclassification of customers.

- 1 ii. Based on the monthly econometric model, the predicted retail load for 2016 actual
 2 value is 24,145 GWh and the requested forecast is presented in Table 1 below. It
 3 includes retail general service customer load that was moved to ST rate class due to
 4 reclassification of customers. The monthly econometric model is used to forecast up
 5 to and including 2018 load due to its short-term nature.
- 6 iii. Based on the annual econometric model, the predicted retail load for 2016 actual
 7 value is 23,529 GWh and the 2017-2022 forecast is presented in Table 1 below. It
 8 includes retail general service customer load that was moved to ST rate class due to
 9 the reclassification of customers.
- 10 iv. The end-use model is not used to predict retail load for 2016 actual load. The 2017-
 11 2022 forecast is presented in Table 1 below. It includes non-LDC ST load, and the
 12 gross forecast only includes incremental CDM relative to 2016.
- 13 v. The forecast of retail load per the Application is provided in Table 1. It is consistent
 14 with the current definition of retail so that it does not include retail general service
 15 customer load that was moved to ST rate class due to the reclassification of
 16 customers. Consequently, the forecast is lower compared to the other forecasts in
 17 Table 1 below. The forecast includes load of the Acquired Utilities for the years
 18 2021 and 2022.

19
 20 **Table 1: Retail Gross Load Forecasts in GWh**

Year	Annual Econometric (1)	Monthly Econometric (1)	End-Use (2)	Forecast in the Application (3)
2017	23629	23643	24881	22071
2018	23770	23935	24711	22134
2019	23956	n.a.	24483	22168
2020	24152	n.a.	24463	22294
2021	24091	n.a.	24394	23344
2022	24195	n.a.	24387	23391

Note. The forecasts presented in this table are not comparable for the reasons noted above. For comparable forecasts, please see Table 2 below.

- (1) Includes part of retail general service customers that were reclassified as ST and does not include the load of Acquired Utilities.
- (2) It includes non-LDC ST customers and incremental CDM relative to 2016. the other gross forecast shown in table include to total CDM.
- (3) based on current definition of retail and includes the load of Acquired Utilities in the years 2021 and 2022.

- 1 b) The models noted above are used to forecast Hydro One’s load excluding Acquired Utilities.
 2 Forecast load for the Acquired Utilities for the years 2021 and 2022 was added to the retail
 3 forecast.
 4
- 5 c) First, different forecasts were adjusted to reflect the current definition of retail load. Such
 6 differences were discussed in response to part (b). Next, growth rates for each forecast were
 7 calculated. The average of the forecasts was applied to 2016 gross load, resulting in a
 8 preliminary forecast. In Table 2, to make the results comparable with the forecast used in this
 9 Application, the gross load of the Acquired Utilities is added to the preliminary forecast for
 10 2021 and 2022. The preliminary forecast was considered to be low compared to the
 11 economic outlook at the time of forecast, so it was adjusted upward to arrive at the forecast
 12 used in this Application.
 13

14 **Table 2: Calculation of Forecast Based on Different Models in GWh**

Year	Forecast in GWh			Growth Rates (%)				Preliminary Forecast (3)
	Annual Econometric (1)	Monthly Econometric (1)	End-Use (2)	Annual Econometric	Monthly Econometric	End-Use	Average of Growth Rate	
2016	21,896	21,896	21,896					21,896
2017	21,757	21,771	21,784	-0.6	-0.6	-0.5	-0.6	21,771
2018	21,906	22,071	21,636	0.7	1.4	-0.7	0.5	21,871
2019	22,103		21,437	0.9		-0.9	0.0	21,869
2020	22,301		21,421	0.9		-0.1	0.4	21,959
2021	22,240		21,247	-0.3		-0.8	-0.5	22,931
2022	22,344		21,233	0.5		-0.1	0.2	22,971

- (1) Equals corresponding value in response to (a) less retail general service that was moved to ST rate class.
 (2) Equals corresponding value in response to (a) less Direct ST plus CDM value in 2016 so that the gross forecast would be consistent with the other forecasts, which include total CDM and not incremental CDM relative to 2016.
 (3) Calculated using the average growth rate applied to 2016 gross base-load. Next, for the years 2021 and 2022 the Acquired Utilities load was added to the implied forecast. The latter step is performed to make it comparable with the forecast used in this application.

15

- 1 i. The portion of load from Haldimand and Norfolk that was not historically part of
2 embedded LDC load was not included in the embedded LDC forecast for the years
3 2017-2020, as its inclusion would not be consistent with the definition of embedded
4 LDC load. Similarly, Woodstock's load was not included in the forecast as it was not
5 embedded in Hydro One Distribution.
- 6 ii. The forecast of the portion of Haldimand and Norfolk that was historically embedded
7 in Hydro One Distribution was deducted from the Embedded LDC load for the years
8 2021 and 2022.