

1 **Undertaking Request (U-93)**

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3 ***Transcript Reference: July 26, 2018, Pg. 171, line 13 to Pg. 172, line 13***

4 Undertake to provide those areas where Hydro expects immediate savings and the  
5 amounts that might be reflected in the test years of the Innovation and Productivity team.

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8 **Undertaking Response**

9 Tables 1 and 2 indicate initiatives currently underway, including where actual expected  
10 savings have been or will be realized. The Operating Savings initiatives will contribute  
11 towards meeting the \$1.0 million productivity allowance and the \$4.8 million vacancy  
12 allowance, and reflect the absorption of the five Energy Control Centre Operators that are  
13 included in the 2018 and 2019 test year budgets. The capital savings are not a contributing  
14 factor to the productivity allowance.

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**Table 1: Operating Savings (\$000s)<sup>1</sup>**

<b>Initiatives</b>	<b>Sustainable Annual Savings</b>	<b>2018 Expected Savings</b>	<b>2019 Expected Savings</b>
Attendance Support <sup>2</sup>	320	320	320
Communication Devices	90	-	90
E-Billing <sup>3</sup>	115	115	115
Monthly Readings <sup>4</sup>	27	-	27
Remote Accommodations <sup>5</sup>	44	44	44
Transportation and Online Vehicle Renewals	61	-	61
Travel Contract Changes	8	-	8
	<b>665</b>	<b>479</b>	<b>665</b>

**Table 2: Capital Savings (\$000s)<sup>6</sup>**

<b>Initiatives</b>	<b>Sustainable Annual Savings</b>	<b>2018 Expected Savings</b>	<b>2019 Expected Savings</b>
Field Productivity Pilot (Wood Pole Management)	45	-	45
IT Device Replacement Frequency	83	\$ 394 <sup>7</sup>	83
IT Workstation Devices	171	-	171
ECC Board Upgrade Frequency	168 <sup>8</sup>	336	-
Travel Contract Changes	34	-	34
Reduced Fleet Purchases	174		174
	<b>675</b>	<b>730</b>	<b>507</b>

<sup>1</sup> Estimated amounts as of August 15, 2018.

<sup>2</sup> The Attendance Support policy was released April 16, 2018 and, therefore, no savings were experienced in the first quarter of 2018. The magnitude of increase in 2019 compared to 2018 is uncertain. Therefore, savings were held constant for 2019.

<sup>3</sup> E-billing savings are expected to grow in 2019 due to continued conversions; however, the number of conversions to be achieved in 2019 is uncertain at this time.

<sup>4</sup> Monthly Readings - This initiative has been implemented in TRO. The savings is based on a redistribution of work in the field and the personnel which complete meter readings for reclosers and regulators.

<sup>5</sup> This initiative was implemented in March 2018. The full potential of annualized savings can be realized in 2018 as the costs associated with this initiative are not incurred until the start of the maintenance season.

Therefore, the savings are the same for 2018 and 2019.

<sup>6</sup> Estimated amounts as of August 15, 2018.

<sup>7</sup> One year was added to the replacement lifecycle of all devices, which in turn will reduce the annual spend in devices, creating a sustained annual savings thereafter. Given 2018 is the first year of implementation, 80% of the capital money budgeted for replacements will not be used (a one-time initial savings).

<sup>8</sup> The cost to complete this work is \$336,000 each year. Changing the upgrade frequency to every two years will generate savings in the first year equal to the full capital budget for the upgrade. The annualized savings amount for each year thereafter will equal half the annual budget.