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President & CEO

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November 10, 2010

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms Walli:

**Re: EB-2010-0144 Waterloo North Hydro Inc. 2011 Cost of Service Application –
Request for Confidentiality**

Waterloo North Hydro Inc. (WNH) filed its 2011 Cost of Service Application on August 27, 2010. WNH has made one redaction in the Application related to the identification of supplier names and further to the Board's Procedural Order No. 1, issued November 5, 2010, WNH is submitting the required documents.

Pursuant to Section 5.1.5 of the *Practice Direction on Confidential Filings*, WNH is serving three copies of the cover letter requesting confidentiality, and a non-confidential, redacted version of the tables that are the subject of the Confidentiality Request, to all parties to the proceeding.

WNH has previously forwarded an electronic version through the Board's web portal system.

If there are any questions, please contact myself at 519-888-5544, rgatien@wnhydro.com

Yours truly,

Original Signed By

Rene W. Gatien, P.Eng, MBA
President & C.E.O.



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Application – Request for Confidentiality**

Waterloo North Hydro Inc. (WNH) filed its 2011 Cost of Service Application on August 27, 2010. WNH has made one redaction in the Application related to the identification of supplier names and further to the Board's Procedural Order No. 1, issued November 5, 2010, WNH is submitting the required documents.

WNH filed redacted versions of four tables pursuant to the OEB's *Practice Direction on Confidential Filings* (the "Practice Direction"), for the reasons set out below. WNH is prepared to provide copies of the confidential material to the parties' counsel and experts or consultants provided that they execute the OEB's form of Declaration and Undertaking with respect to confidentiality and that they comply with the Practice Direction, subject to WNH's right to object to the OEB's acceptance of a Declaration and Undertaking from any person.

WNH has redacted certain information in Exhibit 4 for four tables (Tables 4-36, 4-37, 4-38, 4-39) in the public version of the Application, and requests that it be maintained in confidence pursuant to Sections 5.1.1 and 5.1.2 of the OEB's *Practice Direction on Confidential Filings*. More particularly, WNH has redacted the supplier names on each table.

Appendix "B" to the Practice Direction sets out the Board's consideration in determining requests for confidentiality. Among the considerations set out in that Appendix are the following:

- (a)(i) prejudice to any person's competitive position;
- (a)(iii) whether the information could interfere significantly with negotiations being carried out by the party;
- (a)(iv) whether the disclosure would be likely to produce a significant loss or gain to any person;
- (b) whether the information consists of a trade secret or financial, commercial, scientific, or technical material that is consistently treated in a confidential manner by the person providing it to the Board; and
- (g) any other matters relating to FIPPA and FIPPA exemptions.

WNH submits the following factors for the Board's consideration in addressing the Confidentiality Request:

(a)(i) Prejudice to any person's competitive position

WNH submits that the release of the Supplier's names may prejudice the supplier's future competitive position. WNH tenders or negotiates annual pricing for many of its services and products and the release of the supplier name, in conjunction with the dollars paid to the supplier, may adversely affect the supplier's future tendering or pricing competitiveness. The release of amounts paid to the supplier will be available to their competitors, who may use this information in a strategic way to gain an unfair advantage over the current supplier.

- (a)(iii) *whether the information could interfere significantly with negotiations being carried out by the party*

WNIH submits that the release of the Supplier's names may adversely affect WNIH's ability to obtain the most cost effective pricing in the future, thus, potentially resulting in higher costs.

The tendering or annual pricing process is predicated on the notion of confidentiality. The release of the supplier name and associated dollar amount, allows competitive suppliers to determine WNIH's current pricing threshold and removes any incentive to submit materially lower bids in the future, lower bids that may have been submitted based upon the lack of knowledge of their competitors pricing.

- (a)(iv) *whether the disclosure would be likely to produce a significant loss or gain to any person*

WNIH submits that as discussed above, the loss of competitive advantage to the supplier as their pricing information can be publicly viewed, and the possibility of disadvantaging WNIH in future negotiations, may produce a loss to these parties, a potential gain to the supplier's competitors and higher costs to WNIH.

- (b) *whether the information consists of a trade secret or financial, commercial, scientific, or technical material that is consistently treated in a confidential manner by the person providing it to the Board.*

The tender and pricing information, as described above, would be consistently treated in a confidential manner by WNIH. This allows WNIH to obtain the best pricing available and protect WNIH's suppliers from competitive harm.

(g) *any other matters relating to FIPPA and FIPPA exemptions*

The OEB has provided a summary of pertinent FIPPA provisions at Appendix F of the Practice Direction. That summary provides, in part, as follows:

“Under section 17(1), the Board must not, without the consent of the person to whom the information relates, disclose a record where:

- (a) the record reveals a trade secret or scientific, technical, commercial, financial or labour relations information;
- (b) the record was supplied in confidence implicitly or explicitly; and
- (c) disclosure of the record could reasonably be expected to have any of the following effects:
 - i. prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons or organization;
 - ...
 - iii. result in undue loss or gain to any person, group, committee or financial institution or agency;
 - ...”

WNI submits that the disclosure of the tender and pricing information would reveal the supplier and WNI's financial information; the supplier information was supplied in confidence implicitly or explicitly; that disclosure of the information may prejudice the supplier's competitive position or WNI's negotiations; and may result in undue loss to the supplier or WNI, or a gain to the supplier's competitors. Information on these issues are provided in (a)(i), (a)(iii), (a)(iv) and (b) above.

WNIH submits that the information provided in its Cost of Service Filing allows for the scrutiny of the type of service or product, its procurement method and dollar amount. WNIH also submitted its Purchasing Policy in Exhibit 4, Appendix B. The disclosure publicly, of the supplier's name, while potentially providing a competitive disadvantage and higher pricing as described in (a) and (b) above, WNIH submits does not add additional value to the process.

Access to Material:

WNIH is filing unredacted versions of these pages of the Application in confidence, pursuant to the Practice Direction. WNIH is prepared to provide copies of the confidential material to the parties' counsel and experts or consultants provided that they execute the OEB's form of Declaration and Undertaking with respect to confidentiality and that they comply with the Practice Direction, subject to WNIH's right to object to the OEB's acceptance of a Declaration and Undertaking from any person.

WNIH is serving a copy of this letter and a non-confidential, redacted version of the tables that are the subject of the Confidentiality Request, to all parties to the proceeding.

If there are any questions, please contact myself at 519-888-5544, rgatien@wnhydro.com

Yours truly,

Original Signed By

Rene W. Gatien, P.Eng, MBA
President & C.E.O.

NON-CONFIDENTIAL REDACTED VERSION

Table 4-36
2006 Non-Affiliated Vendors > \$100,000 per Year

Supplier	Service Product	Procurement Method	\$
Redacted	Computer Equipment/Repairs & Maintenance	Quote	135,937
	Cable	Quote	136,969
	Construction Services	Tender	351,194
	TS Equipment/Parts	Quote	135,645
	Postage, Rental	Sole Source	201,298
	Transformers	Quote	490,494
	Consulting Services	Contract	131,381
	Tree Trimming Services	Tender	116,560
	Capacitors	Quote	109,393
	Construction Services	Tender	143,180
	Construction Services	Tender	321,050
	TS Equipment/Parts	Quote	1,056,975
	Poles	Annual Pricing	302,174
	Line Hardware	Quote	272,416
	Line Hardware	Annual Pricing	660,302
	Consulting Services	Contract	157,465
	Construction Services	Tender	185,915
	Design Services	Quote	174,945
	Computer Equipment & Maintenance	Quote	396,529
	Insurance	Tender	194,746
	Transformers	Quote/As Required	336,164
	Wire	Annual Pricing	1,409,153
	Construction Services	Quote	189,829
	Meter Reading Services	Quote	256,001
	Vehicles	Tender	238,034
	Contracted Services	Quote	123,683
	TS Equipment/Parts	Quote	125,703
	Line Hardware	Annual Pricing/Quote	150,359

Confidentiality Claimed for Highlighted Cells

NON-CONFIDENTIAL REDACTED VERSION

Table 4-37
2007 Non-Affiliated Vendors > \$100,000 per Year

Supplier	Service Product	Procurement Method	\$
Redacted	Computer Equipment/Repairs & Maintenance	Quote	175,874
	Vehicles	Tender	226,149
	Line Hardware	Quote	121,818
	Construction Services	Tender	397,084
	Insurance	Quote	107,559
	Postage, Rental	Sole Source	213,063
	Transformers	Quote	455,582
	Consulting Services	Contract	113,210
	Tree Trimming Services	Tender	154,416
	Contractor Services	Tender	740,775
	Contracted Services - Locates	Quote	105,228
	Construction Services	Tender	445,190
	TS Equipment/Parts	Quote	125,488
	TS Equipment/Parts	Quote	138,951
	Poles	Annual Pricing	312,710
	Line Hardware	Quote	224,645
	Pole Line Hardware	Annual Pricing	734,768
	Consulting Services	Contract	191,245
	Furniture & Fixtures	Quote	103,804
	Insurance	Tender	158,624
	Transformers	Quote	524,519
	Wire	Annual Pricing	909,455
	Construction Services	Quote	885,614
	Meter Reading Services	Quote	334,498
	Vehicles	Tender	103,489
	3rd Tranche CDM Expenditure	Sole Source	137,138
	Line Hardware	As Required	101,177
	3rd Tranche CDM Expenditure	Quote	195,759
	Line Hardware	Annual Pricing/Quote	155,756

Confidentiality Claimed for Highlighted Cells

NON-CONFIDENTIAL REDACTED VERSION

Table 4-38
2008 Non-Affiliated Vendors > \$100,000 per Year

Supplier	Service Product	Procurement Method	\$
Redacted	Construction Services	Tender	119,041
	Computer Equipment/Repairs & Maintenance	Quote	166,653
	Construction Services	Tender	102,939
	Construction Services	Tender	409,734
	Insurance	Quote	128,598
	Postage, Rental	Sole Source	206,664
	Transformers	Quote	392,380
	Consulting Services	Contract	153,624
	Tree Trimming Services	Tender	275,349
	Contracted Services - Locates	Quote	115,743
	Construction Services	Tender	500,275
	Dues and Training Sessions	Sole Source	105,996
	Construction Services	Tender/Quote	267,740
	TS Equipment/Parts	Quote	318,698
	Poles	Annual Pricing	484,983
	Line Hardware	Quote	227,503
	Pole Line Hardware	Annual Pricing	918,728
	Handheld Meter Reading Devices	Quote	105,649
	Consulting Services	Contract	195,088
	Smart Meters	Tender	206,236
	Line Hardware	Quote	125,632
	Line Hardware	Quote	163,583
	Insurance	Tender	179,940
	TS # 4 Land	Quote	219,313
	Transformers	Quote	295,138
	Wire	Annual Pricing	1,354,010
	Meter Reading Services	Quote	283,036
	Vehicles	Tender	305,947
	Snow Removal / Stone Dust	Quote	120,409
	Line Hardware	Quote	200,659
	ERP Maintenance Fees - 2008 & 2009 (prepaid)	Contractual	134,838
	Contracted Services	Quote	111,840
	OPA CDM Programs	Quote	112,799
	Line Hardware	Annual Pricing	224,330

Confidentiality Claimed for Highlighted Cells

NON-CONFIDENTIAL REDACTED VERSION

Table 4-39
2009 Non-Affiliated Vendors > \$100,000 per Year

Supplier	Service Product	Procurement Method	\$
Redacted	Construction Services	Tender	519,563
	Transformers	Quote	351,793
	Computer Equipment/Repairs & Maintenance	Quote	251,429
	Consulting Services	Quote	135,741
	Construction Services	Quote	154,861
	Line Hardware	Quote	102,075
	Construction Services	Tender	507,959
	Insurance	Quote	126,467
	Postage, Rental	Sole Source	206,121
	TS Equipment and Service	Quote	102,310
	Transformers	Quote	318,941
	Consulting Services	Contract	109,602
	OPA CDM Programs	Sole Source	255,845
	Deposit - New Building/Service Centre Land	Quote	100,000
	Tree Trimming Services	Tender	151,253
	Contractor Services	Tender	272,528
	Billing System Maintenance Fees & Programming	Contractural	103,071
	Contracted Services - Locates	Quote	183,985
	Construction Services	Tender	445,056
	Poles	Annual Pricing	473,773
	Line Hardware	Quote	168,182
	Pole Line Hardware	Annual Pricing	1,194,729
	Consulting Services	Contract	132,499
	Construction Services	Tender	538,259
	Smart Meters	Tender	3,639,032
	Line Hardware	Quote	105,647
	Building Engineering Consulting Services	Tender	359,264
	Insurance	Tender	110,326
	New Building/Service Centre Land	Quote	1,807,535
	Transformers	Quote	988,349
	SCADA Equipment/Parts	Quote	331,269
	Wire	Annual Pricing	1,079,538
	Meter Reading Services	Quote	377,694
	Consulting Services	Contract	147,596
	Vehicles	Tender	371,523
	Line Hardware	Quote	195,607
	TS Equipment/Parts	Quote	1,007,308
	OPA CDM Programs	Quote	463,210
	Contracted Services	Quote	130,807
	OPA CDM Programs	Quote	291,803
	Billing Settlement Services	Quote	133,623
	Vehicles	Tender	378,963
	Line Hardware	Annual Pricing	215,517

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