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January 13, 2012

VIA RESS and Overnight Courier

Ms. Kirsten Walli Board Secretary Ontario Energy Board P. O. Box 2319 2300 Yonge Street Suite 2700 Toronto, Ontario M4P 1E4

Dear Ms. Walli:

Re: Enersource Hydro Mississauga Inc. Application for Distribution Rates Effective May 1, 2012 Board File No. EB-2011-0100 Reply on Claim for Confidentiality

On November 10, 2011, Enersource Hydro Mississauga Inc. ("Enersource") filed an application and evidence for new rates under Third Generation Incentive Regulation Mechanism, effective May 1, 2012.

In the Application, Enersource enclosed Tab 4 (Smart Meter Funding Adder) and Attachment I – Smart Meter Rate Calculation Model, and requested that that evidence which supports the proposed 2012 Smart Meter Funding Adder be treated as confidential pursuant to the Board's <u>Practice Direction on Confidential Filings</u>.

Enersource submitted that the reason for the confidentiality request was that these documents contained information that is commercially sensitive. Enersource filed both a confidential and a redacted non-confidential version of Tab 4 and Attachment I to support the Board in its review, and to protect the interests of our suppliers with whom contractual agreements have been made.

The Board issued a Procedural Order on December 22 seeking comments on the request for confidentiality. Board Staff was the only party which provided a submission.

Board Staff Submissions on the Confidentiality Request

In summary, Board Staff does not agree that the information related to Enersource's proposed Smart Meter Funding Adder should be treated as confidential.

Board Staff acknowledges that Enersource was a utility specifically referenced in Ontario Regulation 427/06 (the "Regulation") as a "named utility" that was authorized to deploy smart meters, beginning in 2006. As such, Enersource was a deemed applicant and participated in the proceeding initiated by the Board under File No. EB-2007-0063 in the summer of 2007 to consider the costs and activities of all named utilities. This proceeding is commonly referred to as the "Combined Smart Meter Proceeding", and the Board issued its Decision with Reasons with respect to this proceeding on August 8, 2008.

Board Staff also acknowledges that, in the Combined Smart Meter Proceeding, a fair amount of detailed information on Smart Meter costs was considered by the Board and treated as confidential. A page from the public version of Appendix A of the Board's Decision with Reasons in EB-2007-0063 was attached to Board Staff's submissions. This attachment identified the level to which data was aggregated at that time.

Board Staff observes that Enersource is seeking a level of confidentiality commensurate with that upheld in the Combined Smart Meter Proceeding.

Board Staff also observes that Enersource has, in its 2010 and 2011 IRM applications (Board file numbers EB-2009-0193 and EB-2010-0100, respectively), sought confidential treatment for the same level of disaggregation of smart meter cost data in the filed Smart Meter Models.

Board Staff point out that much has changed since the Smart Meter Proceeding and that additional, disaggregated information has been placed on the public record in other proceedings, including an evolved Smart Meter Model.

Enersource Reply

Enersource's request for confidentiality is consistent with its recent IRM applications. The level of detail provided on the public record in this proceeding is consistent with that provided in these prior IRM applications, (for which Enersource's requests for confidentiality were allowed by the Board), and in the Smart Meter Proceeding.

Enersource accepts that the industry has evolved and that smart meter deployment has advanced significantly since 2006. Should the Board accept the submissions of Board Staff, and require further detail be placed on the public record, Enersource will fully comply.

If you have any questions please do not hesitate to contact me.

Yours truly,

Original Signed By

Gia M. DeJulio Director, Regulatory Affairs

cc. Dan Pastoric, Executive Vice-President and Chief Operating Officer Norm Wolff, Executive Vice-President and Chief Financial Officer