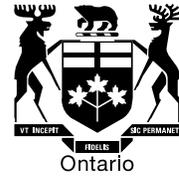


Ontario Energy Board
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BY E-MAIL

August 21, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

Re: Board Staff Submission on Confidentiality

Application by Hydro One Inc. for Leave to Purchase all of the Issued and Outstanding Shares of Norfolk Power Inc. - EB-2013-0196

Application by Norfolk Power Distribution Inc. for Leave to Dispose of its Distribution System to Hydro One Networks Inc. - EB-2013-0187

Application by Hydro One Networks Inc. for Inclusion of a Rate Rider in the 2013 Approved Rate Schedule of Norfolk Power Distribution Inc. to give Effect to a 1% Reduction Relative to 2012 Base Electricity Delivery Rates (Exclusive of Rate Riders) - EB-2013-0198

In accordance with Procedural Order No. 4, please find attached Board staff's submission on claims for confidentiality.

Yours truly,

Original signed by

Gona Jaff
Project Advisor, Applications and Regulatory Audit

Attachment

cc: All Parties to the Proceeding



Board Staff Submission on Confidentiality

**APPLICATION BY HYDRO ONE INC. FOR LEAVE TO PURCHASE ALL OF THE ISSUED
AND OUTSTANDING SHARES OF NORFOLK POWER INC. - EB-2013-0196**

**APPLICATION BY NORFOLK POWER DISTRIBUTION INC. FOR LEAVE TO DISPOSE OF
ITS DISTRIBUTION SYSTEM TO HYDRO ONE NETWORKS INC. - EB-2013-0187**

**APPLICATION BY HYDRO ONE NETWORKS INC. FOR INCLUSION OF A RATE RIDER IN
THE 2013 APPROVED RATE SCHEDULE OF NORFOLK POWER DISTRIBUTION INC. TO
GIVE EFFECT TO A 1% REDUCTION RELATIVE TO 2012 BASE ELECTRICITY DELIVERY
RATES (EXCLUSIVE OF RATE RIDERS) - EB-2013-0198**

August 21, 2013

Hydro One Inc., Hydro One Networks Inc. (“HONI”) and Norfolk Power Distribution Inc. (“NPDI”) (collectively the “Applicants”), filed three related applications dated April 26, 2013 with the Ontario Energy Board (the “Board”). Specifically:

1. Hydro One Inc. applied for leave to purchase all of the issued and outstanding shares of Norfolk Power Inc. under section 86(2)(b) of the *Ontario Energy Board Act, 1998* (the “Act”);
2. NPDI applied for leave to dispose of its distribution system to HONI under section 86(1)(a) of the Act; and
3. HONI applied for inclusion of a rate rider in the 2013 Board approved rate schedule of NPDI to give effect to a 1% reduction relative to 2012 base electricity delivery rates (exclusive of rate riders) under section 78 of the Act.

Pursuant to its authority under section 21(5) of the Act, the Board decided to consider these applications together in a consolidated proceeding and issued its Notice of Applications and Hearing on May 31, 2013.

Certain information in the Applicants’ pre-filed evidence, Exhibit A, Tab 3, Schedule 1, Attachment 6 (the “Attachment” or the “Share Purchase Agreement”) was redacted by the Applicants on the basis that in their view the information is not relevant to the proceeding, and/or that the information is confidential.

Procedural Order No. 2 was issued on August 1, 2013 in which, the Board provided Board staff and parties approved by the Board to receive the Confidential Version (as the term is defined in Procedural Order No.2) of the Attachment the opportunity to file a submission on the Applicants’ claims for confidentiality and/or relevance by August 14, 2013. Procedural Order No. 4, issued on August 13, 2013 extended the August 14th filing date to August 21, 2013.

Board staff is making this submission pursuant to the above noted procedural orders.

The Board’s Practice Direction on Confidential Filings (the “Practice Direction”) states at page 2 that: “The approach that underlies this Practice Direction is that the placing of materials on the public record is the rule, and confidentiality is the exception.” The Practice Direction goes on to say that: “The onus is on the person requesting confidentiality to demonstrate to the satisfaction of the Board that confidential treatment is warranted in any given case.”

In Board staff's view the Share Purchase Agreement is a document which is critical to the assessment of the current applications and, to the extent that information in it is not found by this Board to be confidential, the placing of the document on the public record is the rule.

In Board staff's submission the Confidential Version of the Share Purchase Agreement should be placed on the public record with two exceptions. The first such exception is Schedule 3.1(AA). Board staff submits that the information in this schedule, including the signing authorities for the company, is financial material that is consistently treated by the business community as confidential and has been consistently treated as confidential by this Board. Board staff notes that this is consistent with Hydro One Networks Inc.'s submission of July 11, 2013 in this matter.

The second exception is Schedule 3.1(T). It appears to Board staff that the information under bullets 2-5 and 7-8 relate to historical tests, analyses and reports prepared in the normal course of business. These should, in Board staff's submission be put on the public record. Board staff notes, however, that this assessment is based only on the language provided and without the benefit of further information about these entries. The information under bullets 1, 6, 9 and 10 appear, on the other hand, to relate to matters that are either currently under investigation or subject to further testing and should likely be redacted to allow such investigations or testing to continue confidentially. In other words, the information in bullets 1, 6, 9 and 10, should, in Board staff's view, not be put on the public record.

All of which is respectfully submitted.