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BY E-MAIL

September 6, 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 Request for Confidentiality of Dion Durrell
Study of Post-Retirement Benefits in Kitchener-Wilmot Hydro Inc.'s
Application for 2014 Rates Effective January 1, 2014
Board File Number EB-2013-0147**

In accordance with Procedural Order No. 1, this letter constitutes the submission of staff of the Ontario Energy Board (the "Board") with respect to the request for confidential treatment of the Dion Durrell & Associate Inc. ("Dion Durrell") Study of Post-Retirement Benefits filed in support of Kitchener-Wilmot Hydro Inc.'s ("KWHI's") application for 2014 rates.

In its revised application filed on June 21, 2013, KWHI filed a claim for confidential treatment of a study conducted for it by Dion Durrell, filed as Exhibit 4/Tab 4/Schedule 1, following Appendix 2-K. The referenced report is an external actuarial evaluation of post-retirement benefits. KWHI's claim is pursuant to the Board's *Practice Direction on Confidentiality* (the "Practice Direction"), and claims confidentiality for the entire report on the basis that Dion Durrell "is a consulting firm engaged in competitive business and that public disclosure of its methodologies could disadvantage them in the marketplace".

As directed by the Board in Procedural Order No. 1, KWHI filed a non-confidential summary of the report prepared by Dion Durrell & Associates Inc. on August 30, 2013, in compliance with Article 5.1.4 c) of the Practice Direction.

Board staff notes that filing of these actuarial reports is part of the expected filings in accordance with Chapter 2 of the *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"). As issued on July 17, 2013, Section 2.7.3.1

Employee Compensation Breakdown of the Filing Requirements states, in part:

In addition to the information required per Appendix 2-K, the status of pension funding and all assumptions used in the analysis must be provided.

...

The applicant must provide details of employee benefit programs, including pensions and other costs charged to OM&A for the last Board-approved rebasing application, Historical, Bridge and Test Years. The most recent actuary report(s) must be included in the pre-filed evidence. What is disclosed in the tax section of the pre-filed evidence must agree with this analysis.

This information has also been required in the Filing Requirements in previous years.

Board staff also notes that these actuarial reports have been filed publicly in other recent cost of service applications. As two recent examples, Board staff notes that both London Hydro Inc. [EB-2012-0146] and Thunder Bay Hydro Inc. [EB-2012-0167] filed the actuarial reports on Post-Retirement Benefits in their entirety and on the public record, in both cases as Exhibit 4/Appendix 4-C, of their Cost of Service applications for 2013 rates. Board staff notes that the actuarial report filed in Thunder Bay Hydro Inc.'s 2013 rates application was also conducted by Dion Durrell.

It is not clear to Board staff that the claim that Dion Durrell is engaged in competitive business and that public disclosure of its methodologies could disadvantage them in the marketplace is sufficient ground to warrant for a claim of confidentiality, specifically because these types of reports, which include some level of description and detail of the actuarial firms' approaches and methodologies, have been made public in their entirety in prior proceedings.

This documented is also being copied to KWHI and to all registered intervenors.

Sincerely,

Original Signed By

Keith C. Ritchie
Project Advisor, Applications & Regulatory Audit

cc: Ms. Margaret Nanninga, Kitchener-Wilmot Hydro Inc.
Registered Intervenors to EB-2013-0147