

Rob Barrass
Manager and Counsel, Regulatory Affairs
Toronto Hydro-Electric System Limited
14 Carlton Street
Toronto, ON M5B 1K5

Telephone: 416.542.2546
Facsimile: 416.542.3024
www.torontohydro.com
regulatoryaffairs@torontohydro.com



July 31st, 2014

via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited (“Toronto Hydro”)
Custom Incentive Rate-setting (“Custom IR”) Application for 2015 – 2019 Electricity
Distribution Rates and Charges, OEB File No. EB-2014-0116
Confidentiality Request**

Toronto Hydro writes to the Ontario Energy Board (“OEB”) in respect of the above-noted matter.

Pursuant to Rule 10.01 of the OEB’s *Rules of Practice and Procedure*, Toronto Hydro requests that certain information in the pre-filed evidence be kept confidential. Details about the particular information and the basis of the request for confidential treatment are provided below.

1. Forecast Proceeds from Sale of Properties

- *Exhibit 2B, Section E8.3, pages 9, 12, 18, 23-24, 33-34*
- *Exhibit 2B, Section E8.3, Appendices A and B*
- *Exhibit 8, Tab 1, Schedule 1, page 13*
- *Exhibit 8, Tab 3, Schedule 2, pages 1, 3, 5, 7, 9, 11, 14, 16*
- *Exhibit 8, Tab 3, Schedule 3, pages 1-6 and 8-9*
- *Exhibit 9, Tab 3, Schedule 1, lines 39, 41 and 62*

Toronto Hydro seeks confidential treatment of the forecasted proceeds from the disposition of properties owned by Toronto Hydro, and of the Net Present Value (“NPV”) and Base Case calculations of the proposed sale transactions (Appendices A and B) on the basis that the forecasted proceeds may be deduced from these calculations. As described in the evidence, Toronto Hydro proposes to record the gains on the proceeds of sale with respect to the subject properties in a deferral account, and to return these amounts to rate payers through the clearance of that account.

Toronto Hydro has provided information relating to the forecasted proceeds of sale in its rate design (Exhibit 8) and deferral and variance account (Exhibit 9) evidence. Toronto Hydro seeks confidential treatment of the applicable information in these exhibits. Toronto Hydro's redactions are minimal, keeping confidential only that information necessary to protect the forecast proceeds from sale – the remainder of the referenced schedules are unaffected.

Toronto Hydro respectfully submits that confidential treatment should be granted with respect to the forecasted proceeds of sale, because disclosure of this information poses the following potential harms:

- a) a prejudice to Toronto's Hydro's ability to secure a competitive purchase price for the respective properties, as the forecasts may be used by potential buyers to undercut Toronto Hydro's asking price for the properties;
- b) a significant interference in Toronto Hydro's future negotiations with potential buyers of the respective properties, as the forecasts may be used by potential buyers to compromise Toronto Hydro's bargaining position; and
- c) since Toronto Hydro proposes to return gains on sale to rate payers, disclosure of the information could harm rate payers' interests if it were to compromise Toronto Hydro's competitive or negotiating positions regarding those properties.

2. Cost Difference between Internal and External Construction of Projects

- *Exhibit 2B, Section C, page 24*

Toronto Hydro seeks confidential treatment of the average cost differences between constructing projects internally versus using external contractors. Toronto Hydro submits that this information is commercially sensitive and that its disclosure could interfere significantly in Toronto Hydro's negotiations with construction contractors, as it may put upward pressure on contract prices. Such interference could result in a significant cost to the utility and, by extension, reduced value for rate payers. Toronto Hydro respectfully submits that this information should be kept confidential.

3. Personal Information

- *Exhibit 4B, Tab 2, Schedule 3, Part 1, Introduction*
- *Exhibit 4B, Tab 2, Schedule 3, Part 1, Schedules 29, 550, 552 and 569*
- *Exhibit 4B, Tab 2, Schedule 3, Part 2, Schedules 1 and 2*

Toronto Hydro seeks confidential treatment of personal information contained in the utility's corporate income tax return. Consistent with the definition of personal information under the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, C.F.31, the redacted information includes: the names, phone numbers, job titles, professional designations and years of experience of employees; the

names and addresses of external individuals; and the names of, students and apprentices. Toronto Hydro notes that this information has previously been held confidential by the OEB.¹

3. Business Numbers

- *Exhibit 4A, Tab 2, Schedule 3, Part 1, Introduction*
- *Exhibit 4A, Tab 2, Schedule 3, Part 1, Schedules 1-3, 5-10, 23, 29, 31, 50, 53, 55, 506, 508, 510-511, 546, 550, 552, and 568-569*
- *Exhibit 4A, Tab 2, Schedule 3, Part 2, Schedule 2*

For security and fraud protection reasons, Toronto Hydro seeks confidential treatment of any business numbers contained in the utility's corporate income tax return. Toronto Hydro submits that disclosure of this information can expose the utility and other parties to the risk of fraud, and notes that this information has previously been held confidential by the OEB.²

Please do not hesitate to contact me if you have any questions.

Yours truly,



[Daliana Coban on behalf of]

Rob Barrass

Manager and Counsel, Regulatory Affairs
Toronto Hydro-Electric System Limited
regulatoryaffairs@torontohydro.com

:RB/DC

cc: Charles Keizer and Crawford Smith of Torys LLP, Counsel for THESL, by electronic mail only

¹ EB-2014-0002, Procedural Order No. 1 (June 9, 2014) at page 4.

² EB-2013-0196,0197,0198, Decision on Confidentiality Request and Procedural Order No. 5 (September 27, 2013) at pages 7 – 8.