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December 12, 2014

*via RESS – 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 Application for 2015-2019 Electricity Distribution Rates  
and Charges (the “Application”) – Request for PEG Data  
OEB File No. EB-2014-0116**

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

On December 8, 2014, OEB Staff filed a report prepared by Pacific Economics Group Research LLC (“PEG”) entitled “*Toronto Hydro Electric System Limited Custom IR Application and PSE Report Econometric Benchmarking of Toronto Hydro’s Historical and Projected Total Cost and Reliability Levels: Assessment and Recommendations*” (the “PEG Report”).

Pursuant to Procedural Order No. 3, Toronto Hydro intends to submit written interrogatories on the PEG Report by December 22, 2014. Prior to doing so, Toronto Hydro needs access to the data and other inputs (enclosed as Appendix A to this letter) used by PEG to arrive at the conclusions in its report, in order to conduct an in-depth review of PEG’s analysis. On December 9, 2014, Toronto Hydro reached out to OEB Staff requesting for this information to be shared with Toronto Hydro and PSE, and OEB Staff indicated that the request can be accommodated by Friday, December 12, 2014.

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

Yours truly,

*[original signed by]*

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cc: Charles Keizer and Crawford Smith  
Intervenors of Record for EB-2014-0116

## **Appendix A**

### **Toronto Hydro Request for PEG Data**

For PEG's econometric total cost and reliability models included in PEG's December 8, 2014 Report entitled "*Toronto Hydro Electric System Limited Custom IR Application and PSE Report Econometric Benchmarking of Toronto Hydro's Historical and Projected Total Cost and Reliability Levels: Assessment and Recommendations*", please provide the following:

- a. All data used in the respective study, in the form of a Microsoft Excel spreadsheet
- b. All other Excel files that made use of the source data and produced measures that were used, directly or indirectly, by the respective benchmarking models
- c. All Excel or other files used to produce the Tables and Figures in the PEG report
- d. The computer code used to generate results for the respective benchmarking models
- e. Any other computer code used to transform data
- f. The output of the computer program for each respective model; this output should include and clearly identify:
  - i) All coefficient estimates
  - ii) All standard errors of coefficient estimates
  - iii) The number of observations for each regression equation
  - iv) The actual and predicted values for the dependent variable in the regression, on average for the three most recent sample years, for each company in the sample
  - v) The p-value on the test of the hypothesis that the actual value of the dependent variable is equal to the predicted value, on average over the three most recent sample years, for each company in the sample
  - vi) The Rbar-squared for each respective model
  - vii) The Durbin-Watson statistic for each regression
  - viii) The number of observations for which monotonicity conditions were satisfied
  - ix) The number of observations for which concavity conditions were satisfied
- g. Excel spreadsheets detailing the calculations of specific numbers found in the report.